

WEC CO-OP CURRENTS

WEC Returns To Barre Elks For Annual Meeting

Dinner, Door Prizes, and Guest Speaker Dworkin

Washington Electric Co-op will return to Barre for its 68th Annual Membership Meeting. The date is Tuesday, May 22.

"We hope as many of our members as can make it will come out to be with us," said WEC President Barry Bernstein. "It's always a good occasion – a chance for the members and the management and the Board all to be together and get reacquainted, for people to tell us directly what's on their minds, and, for one evening, to talk about something we share in common – namely, the Co-op that provides our power, one of the central elements of survival and comfort in modern life."



Michael Dworkin

The doors at the Barre Elks Club will open at 5 p.m., with dinner served at 5:30 (see the Annual Meeting Agenda on this page, and turn to page 8 for the menu and required dinner reservation).

"We moved the meeting to the Barre Elks Club last year, and people said they liked the accommodations," said WEC General Manager Avram Patt. "One thing we've improved upon was the screen we use for presentations by our officers and guest speakers. People had difficulty seeing it last year. So we've gotten a larger screen to make it easier for everyone to see and remain involved."

Another change Patt mentioned was that speakers during the business meeting will keep their comments shorter. However, the Annual Membership Meeting is, in one sense, a formal occasion, with reports from the Co-op's president and treasurer as required by law. The manager also has a part in these presentations, which provide the company's owners (Washington Electric's customers) the information they need to make decisions about their Co-op.

The primary annual decision they make is electing three of their fellow members to serve on the Board of Directors. In most years there are three vacancies on the Board, as the terms of three directors expire. (Occasionally an additional seat or two is open if there have been resignations.) This year's candidates are featured on page 4 of this issue, responding to questions

about the Co-op, their positions, and their experiences.

Members will receive their ballots with this issue of *Co-op Currents*, and can vote by mail (check your voting materials for deadlines). There will be ballot boxes at the Annual Meeting for those who wish to vote at that time. Results will be announced before

the meeting is adjourned.

WEC is fortunate to have several notable and interesting people among its membership, who make excellent guest speakers. Recent speakers have included filmmaker John O'Brien (2003), naturalist Bryan Pfeiffer (2005), and meteorologist Roger Hill (2006). This year's speaker will be Michael Dworkin, director of the Institute for Energy and the Environment at Vermont Law School, former chair of the Vermont Public Service Board, and a Co-op member from East Montpelier. His presentation will be titled, "Changing Times: Drawing on the Co-op's Values to Meet the Challenges of a World of High-Priced Energy, Climate Change and Limited Resources."

"Michael has a well-deserved reputation for being an educator, in terms of his ability to explain big-picture energy issues in ways that enable lay people to understand them and recognize their growing importance," said Patt. "We are an electric utility, and the Co-op plays a

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WEC's 2006 Service Quality and Reliability Performance Monitoring and Reporting Plan. The Co-op's annual "SQRP" report to the state is included in this issue's Manager's Report. Page 3.

Officers' Annual Reports: WEC's President (page 2), General Manager

(page 3) and Treasurer (page 6) update you on your Co-op.

Three candidates for the Board of Directors seek your support. Meet them on page 4.

'An unseasonable storm.' Vermont hit with snow and wind in mid-April. Page 8.



A round-table discussion. Co-op members share dinner and conversation at last year's Annual Membership Meeting.

WASHINGTON ELECTRIC COOPERATIVE, INC.

Tuesday, May 22, 2007

68th Annual Membership Meeting

Barre Elks Lodge
(10 Jefferson Street, Barre)

Agenda

- 5:00 p.m. Registration– Ballot Boxes Declared Open
- 5:30 p.m. Dinner Served— Reservations required
- 6:30 p.m. Business Meeting Called to Order (Ballot Boxes Close at 7:00 p.m.)
- Reports from Officers:**
President's Report
Treasurer's Report
Manager's Report –Power Supply Update
-Service Quality and Reliability

Michael Dworkin Presents: "Changing Times – Drawing on the Co-op's Values to Meet the Challenges of a World of High Priced Power, Climate Changes, and Limited Resources"

Question/Answer Session on any subject of interest to members

8:30 p.m. Adjournment

*(The meeting is scheduled to adjourn at 8:30, but it will continue as long as there are questions from the membership.)
Door prizes to be drawn at the end of the evening.*

Official Notice and Annual Report

President's Report

The Homegrown KWH, And The Unused KWH: Elements Of WEC's Energy Plan For The Future

By Barry Bernstein

As I started writing my annual report to our membership this year, I watched the signs of Vermont moving into spring, in fits of starts and stops, snow mixing with the emerging earth. Then came the Nor'easter that hit Vermont on April 15 and left more than 60,000 without power. Ninety percent of Rutland had no electricity. The citizens of Lyndonville were also hard-hit. WEC had at one point more than 2,000 members without power (including myself, for 27 hours).

Once again, WEC employees worked with very little sleep, enduring harsh weather and winds, to serve our members. HURRAY – and thanks to every one of them.

However, looking back, we actually were blessed with mild weather through much of 2006, and even with the mounting snow and cold in early 2007 we were fortunate, until that April weekend, to escape significant storms and outage-related expenses at the Co-op.

When reviewing 2006, the high and low points of the year center around our methane-to-electric generating plant

located at the New England Waste Services landfill in Coventry, Vermont. The plant is a major foundation of our future energy strategy, which is to be able to supply our Co-op members from a power portfolio made up of sources that are clean, renewable, economical, and as close to our home service territory as possible.

These are important choices, because the energy we purchase represents nearly 50 percent of your electric bill, and any changes at Coventry can have a significant impact on our costs.

As we move into 2007, the Coventry

landfill-gas plant, our Wrightsville hydroelectric station, and the UCP Vermont Wind project proposed for Sheffield, Vermont, figure in our planned energy base for WEC's future. Combining that energy base with our continued partnership with members to make our homes and businesses the most energy-efficient in Vermont – and, if we're able, adding one or two more renewable power sources – we hope to secure a long-term, reliable energy future for our members.

We also plan to do our part to reduce global warming by these efforts – a goal

that we know will make our membership proud of their Co-op.

Coventry generating plant

July 2006 marked a high point for us – the end of the first full year of operation of our Coventry plant, producing 27,293,400 kilowatt-hours with our three new Caterpillar 3520 engines, supplying approximately a third of our energy needs from landfill methane. We had just placed our fourth engine on order for installation in the fall, and filed the necessary paperwork for approval by the Vermont Public Service Board (PSB) to add the fourth engine and increase power production at the plant.

But in the early hours of Tuesday, August 8, an oil fire broke out from a leak on Engine #1. It caused significant damage to the engine room and roof of the building.

The high point turned quickly to a low point for us. However, we were extremely fortunate to have a team of committed and dedicated Co-op board members, general manager, management staff, employees, consultants, and contractors who had helped build the plant, and who came to our immediate aid. Almost miraculously, we were able to get the plant fully operational just three months later, in early November. I want again to offer special thanks to all who were involved in that very successful team effort.

We were able to get the fourth engine installed in December, and started up on January 12, 2007. The plant is now producing more than 4 million kWh/month, with a projected output of 50 million kWh annually, representing more than 50 percent of our total energy needs.

Wrightsville hydro plant

Our hydroelectric plant on the Winooski River had a banner year, producing 3.7 million kWh, nearly 6 percent of our energy. Special thanks to Steve Anderson, WEC's safety coordinator and Wrightsville superintendent, and to Mother Nature – with condolences, of course, to our wet basements.

UPC Sheffield wind project

This project, in which Washington Electric does not have an ownership stake but which the Co-op has supported with federal grant money, has finished its hearings before the Vermont Public Service Board. The PSB could reach a permitting decision by this summer.

I want to thank UPC for thoughtfully listening to and addressing many of the concerns raised in the public process. UPC reduced the number of turbines from

26 to 16, now all located in Sheffield (the small number planned for Sutton were deleted from the project). Changes in the proposal also reduced potential impacts to bear habitat and wetlands, and in general reduced the total project footprint, while increasing the distance from any turbine to the nearest structure to a minimum of approximately half a mile, minimizing the potential for sound issues.

The total output from the turbines is now projected to be 40 megawatts (MW), or approximately 115 million kWh annually. Our Co-op will purchase 6 MWs, or 17,500,000, and it's important

to note that all the power will be purchased by Vermont utilities. In addition to WEC, customers for UPC wind will include Vermont Electric Cooperative, which provides electricity across the northern tier of the state, and Central Vermont Public Service Corp.

Energy efficiency

Starting in the 1990s, your Co-op took the lead in Vermont, working with the Vermont Energy Investment Corp. to develop and implement energy-efficiency programs for our members. These programs included fuel switching (helping our members move off of expensive electric heat and hot water to more appropriate, less costly fuel sources).

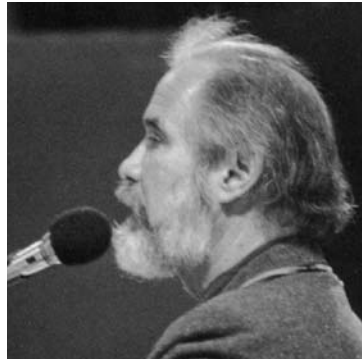
In 2000, the Vermont Legislature created Efficiency Vermont (EVT), the nation's first statewide provider of energy-efficiency services. EVT works with farms, industries, schools and commercial loads, including those on our Co-op lines, and provides rebates for consumers on compact fluorescent lights and some efficient new appliances.

In 2006 the WEC board and staff began discussing strategies for an enhanced efficiency effort. We plan to start a pilot program that we hope will particularly attract members who consume a lot of electricity, to help them lower their usage and their electric bills. *The least expensive kilowatt-hour is the one that is not used.*

Reliability; service to our membership

Of course, delivering the power to you and keeping the lights on is still the primary purpose of your electric co-op, and this could not be done without the team efforts of all of our 37 fulltime employees. This includes the member service representatives who are your first contact when you call in, the engineering and field staff who work with new members constructing houses and businesses on the Co-op system,

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Barry Bernstein

Co-op Currents

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

Board of Directors

President	BARRY BERNSTEIN	1237 Bliss Road, Marshfield, Vt. 05658 Bbearvt@aol.com	456-8843
Vice President	ROGER FOX	2067 Bayley-Hazen Rd., East Hardwick, Vt. 05836-9873 rfox@pivot.net	563-2321
Treasurer	DONALD DOUGLAS	21 Douglas Rd., East Orange, Vt. 05086 dondougla@gmail.com	439-5364
	KIMBERLY CHENEY	143 S. Bear Swamp Rd., Middlesex, Vt. 05602 kcheney@cbs-law.com	223-3181
	WENDELL CILLEY	468 Vt. Rte. 25, West Topsham, Vt. 05086 cilley@tops-tele.com	439-6138
	ROY FOLSOM	2603 US Rt. 2, Cabot, Vt. 05647 RoyGrnsy@aol.com	426-3579
	TIMOTHY GUILLES	746 Young Road, Williamstown, Vt. 05679 timothyguiles@gmail.com	279-2168
	MARION MILNE	1705 E. Orange Rd., W. Topsham, Vt. 05086 milne@tops-tele.com	439-5404
	RICHARD RUBIN	3496 East Hill Rd., Plainfield, Vt. 05667 rrubin@sover.net	454-8542

AVRAM PATT
General Manager
avram@washingtonelectric.coop

WILL LINDNER
Editor
Willind@aol.com

TIM NEWCOMB
Layout

Editorial Committee

Avram Patt Donald Douglas Wendell Cilley 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 Deborah Brown, 802-223-5245.

Manager's Report

Washington Electric Service-Quality Report For 2006

By Avram Patt

Elsewhere in this Annual Meeting issue of *Co-op Currents* you will find Treasurer Don Douglas' report about the Co-op's finances, together with a summary of WEC's power-supply picture in 2006. You will also find Board President Barry Bernstein's recap of significant issues and events that affected WEC over the past year. My purpose is to present to you, as both owners and customers of Washington Electric Co-op, our annual Service Quality and Reliability Report.

WEC, along with other Vermont utilities, has for the last few years been required to have a "Service Quality and Reliability Performance Monitoring and Reporting Plan" (SQRPP) reviewed by the Department of Public Service and approved by the Vermont Public Service Board. In WEC's case, our SQRPP measures the quality of our customer service and our system reliability in 12 separate categories. There are targets for each category, and if we miss some of them there is a potential for financial penalties.

I first prepared an annual SQRPP report a year ago, which covered results for 2005. That year, we achieved and in most cases did considerably better than our target in 11 categories, but missed one of the two targets that measure system reliability.

WEC's SQRPP Results for 2006

I am pleased to report that we improved on most of the 12 measures in 2006. We did just miss meeting our target on one reliability measure; however, it too was an improvement over the previous year and was close enough to the target to avoid a penalty.

1. Calls not answered within 20 seconds. People calling the Co-op should have their calls answered promptly. Our requirement was that no more than 15 percent of incoming calls would take more than 20 seconds to answer. Our member services representatives took almost 50,000 calls last year and only 3.2 percent of those took longer than 20 seconds to answer.

2. Bills not rendered in seven days. Members' bills should be issued promptly. Our target was that not more than 0.10 percent of our bills (one in 1,000) be issued more than seven days late. No bills were issued late in 2006.

3. Bills found inaccurate. WEC mailed more than 107,000 bills last year, and our target was that no more than 0.10 percent (one in 1,000) be found to be inaccurate. A total of three bills were found to be inaccurate, effectively zero percent.

4. Payment-posting complaints. The payments sent by members should be accurately and promptly credited to their accounts. Our target was that complaints about payment posting not exceed 0.05 percent (one in 2,000). We had no complaints about payment posting in 2006.

5. Meter readings per month. Although there are circumstances where a member's meter cannot be read and we have to issue an estimated bill, this should be kept to a minimum. Our requirement was that no more than 0.05 percent bills (one in 2,000) be based on estimated readings. The number of meters not read essentially averaged zero percent last year.

6. Requested work not done on time. A lot is involved in extending a new line to a home, moving a line, or doing other work requested by members, and there are sometimes complications. Although schedules for a requested project may change for any number of reasons, our engineering staff and line crews stay in touch with the members to discuss these so we can actually complete the job when the member expects us to. Our goal was that no more than 5 percent (five in 100 jobs) be completed after we had said they would be. In 2006, out of 487 member-requested projects, none were completed late.

7. Average delay days after missed delivery date. If we had missed our time estimates on any member-requested project in #6, then we would have also needed to report how long those delays actually average. Fortunately we have nothing to report for this one.

8. Customer satisfaction. WEC's SQRPP requires us to conduct a professional survey every five years that contains, at a minimum, certain standard national customer-satisfaction questions. This survey was conducted by a market research firm in the fall of 2005 and WEC's ratings exceeded the targets in our SQRPP. Customer-satisfaction levels were generally high. The survey results were reported in the March/April 2006 issue of *Co-op Currents*, which is archived on our website or can be obtained by contacting the WEC office.

9. Complaints to DPS/Consumer Affairs. Vermonters with complaints about their utility can lodge them with the Consumer Affairs Division of the Department of Public Service (DPS). The Department then contacts the utility to get more information or discuss the matter. We receive regular summaries about the number and type of calls the DPS gets about WEC, and there are fortunately not that many of them. Often the issues are resolved by discussion, or the Department staff determines that there is no basis for a complaint. However, when the Department finds that a utility has not done something right and instructs the utility to correct the situation, that is recorded as an "escalation." WEC's SQRPP requires that the number of "escalations" not exceed 0.7 percent of our membership (about seven per year.) We had two escalations last year – effectively, effectively zero percent.

10. Worker safety performance. The safety of our employees is of paramount importance both for their own well-being as well as an indicator of how we operate day to day. The work that many of our employees do is strenuous and relatively high-risk. Our target is that there be no more than six incidents per year that result in lost work time, and that there be no more than 39 days of lost work time among all employees. In 2005, we met these targets, but did report some lost work time. I am very pleased to report that in 2006 we had no lost-time incidents and no lost days of work time.

11. Outage Incidents. The "System Average Interruption Frequency Index" (SAIFI) measures the average

number of outage interruptions, or incidents, that occurred per-member over the course of the year. In 2006, this number was 4.4 per member, a reduction from 2005. However, the SAIFI number was still slightly above our target of 3.8. (See below for further discussion on reliability.)

12. Outage Duration. The "Customer Average Interruption Duration Index" (CAIDI) measures the average amount of time it took to restore power when there was an outage. Our target was two hours and our average was 1.8 hours, also an improvement over the previous year. (See further discussion about reliability below.)

Some Comments About Reliability

The last issue of *Co-op Currents* (March/April) contained a much more detailed "System Reliability Report" for 2006, describing what the major sources of our outages were last year, where some of our trouble spots are, and the ongoing work that our line workers,

engineers and technicians are doing to improve the system and reduce outages. One reliability indicator that is not reported as part of our "SQRPP" is simply the total number of "consumer hours out," and that number was 38 percent below the 2005 figure. (The March/April issue

is available on WEC's website or by contacting our office.)

Last year, I noted that the method used for calculating our SQRPP reliability criteria does not, in our opinion, adequately recognize when outages are caused by "supplier" problems on a transmission line owned by another utility, not WEC's own lines. This continues to be an issue for us, as the second-leading cause for total hours out in 2006 was faults on Green Mountain Power transmission lines supplying our substations (19 percent of consumer hours out). Nevertheless, we continue to work with our neighboring utilities to reduce this number.

More important, we continue to improve our own system, as described in last month's article. In 2006, we had relatively good luck with the weather, compared to some other recent years. The improvements we are making on our lines, maintaining our rights-of-way, replacing substations, and other efforts are paying off, but the results become apparent only gradually, as a trend over time. There will be years when

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Avram Patt

How you feel about the Co-op depends on WEC's service quality and service reliability. When I review these results, I categorize them as "good and getting better."

Position Statements of the 2007 Candidates for the Co-op Board of Directors

Candidate Profiles

Three candidates are seeking election to Washington Electric Cooperative's Board of Directors in 2007. Three seats are available on the nine-member board. All seats are for three-year terms. The three candidates are **Barry Bernstein**, **Kimberley B. Cheney** and **Roy Folsom**. All three are incumbent directors, presently serving on the board. The WEC Committee on Candidates has verified that Bernstein, Cheney and Folsom 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.

Each year three board positions expire, which enables the membership to elect a third of the board that makes leadership and policy decisions for the customer-owned, nonprofit utility. The seats that will terminate at the time of the 2007 Annual Membership Meeting are those of the directors running for re-election.

In ballots cast at the Annual Meeting on May 22, 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 any of the three candidates who appear on these pages. Ballots will also provide space for voters to write in the names of up to three alternative candidates. People must be Co-op members to serve on the board.

To help inform members about the qualifications 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 may 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?

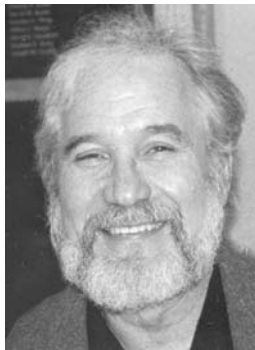
4. What do you think are the most important issues that the Cooperative must face in the next few years? What should WEC do about those issues?

5. Is there anything else you would like to tell the members?

Barry Bernstein

1. I live on Bliss Road in East Calais, and have owned a home there since 1976. I have been an owner-member of WEC since 1971. WEC members should feel free to call me at 456 8843 or e-mail me at bbearvt@aol.com if they have any questions.

2. I graduated from the University of Southern California, Los Angeles, with a B.S. in Government and a minor in Business Administration. I attended Northwestern University, Graduate School of Business, Chicago, Illinois. I am a partner and president of Better World Energy LLC., the Northeast representative for Messersmith Mfg. Inc., a leading manufacturer of automated woodchip heating plants for schools and commercial/industrial use. I have also been involved in consulting and management for both for-profit and nonprofit organizations for 42 years.



I have served on the WEC Board of Directors since 1997 and been the president of the board since November 1998. I also serve on the board and finance committee of Woodbury College in Montpelier, and the board of ILR Inc., Northampton, Massachusetts, a disability-rights organization specializing in ADA technical assistance and training. I served as a board member and treasurer of both the Hunger Mountain Co-op, Montpelier, and the Buffalo Mountain Co-op in Hardwick. I also was a co-founder of the Vermont Center for Independent Living, Montpelier, and served as its executive director (1978-1982, 1992-1993). I was a co-incorporator and officer of the former CVTA, a nonprofit providing transportation services to central Vermont elders, people with disabilities, and others from 1980 to 1985.

3. I have decided to run for re-election for the WEC board. As president of your Board of Directors I have worked closely with the board and management on the development and operations of our Coventry landfill gas-to-electric generating plant. My personal goal if re-elected is to work with the board and management to ensure that our Co-op's future energy supply is secure after several of our power-supply contracts end, including Hydro Quebec in 2015.

I strongly believe we can secure a long-term, economical power portfolio based almost totally on renewable energy from landfill gas, wind, hydro and the increased energy-efficiency efforts for

the homes, businesses and institutions that make up our WEC membership. The continued and increasingly conscious support by each of our members in this effort is critical if we are to achieve our goals. We all need to replace old, less-efficient appliances, lights, etc., with more appropriate and energy-efficient ones, and utilize other fuels when it is more cost-effective to do so.

4. Several critical issues face our co-op over the next few years.

A) **Power portfolio:** WEC will need to replace 40 percent to 50 percent of our power contracts between 2008 and 2015. I believe this is a unique opportunity for the Co-op to purchase power that is renewable, clean and reasonably priced, and that will provide our members with price stability for the next 20 years. The Coventry landfill gas-to-electric generating plant is a cornerstone in our efforts to achieve this goal.

B) **Sheffield wind project:** Hopefully, the Public Service Board will approve the UPC Sheffield wind project, which is currently being considered. The 40 MW project will provide WEC

with 6 MW, more than 10 percent of our power, with the remaining power going to our sister co-op VEC and to CVPS – thus all the power staying close to its source.

C) **Energy efficiency:** Increased energy efficiency by our members, both in new purchases of energy-efficient appliances and lights, and the use of other fuel-based appliances such as gas clothes dryers instead of electric, and using clothes lines in the summer, will save our members dollars and help your Co-op avoid having to purchase expensive power in the market. In addition, it will aid our children's future by reducing the chance of the catastrophic effects of global warming and greenhouse gases.

D) **Stable rates:** I am very aware of the high price per kWh that our members pay, and I will continue my commitment to supporting long-term decisions that balance our needs for system reliability and our need to keep our rates and the bills we pay as member/owners stable and as low as possible. This year your Co-op hopes to file a new rate design with inclining rate blocks, for approval by the Vermont Public Service Board. The WEC board is discussing a rate design that would provide two lower-priced rate blocks that will guarantee that every member household has enough reasonably priced kilowatt-hours from renewable sources to run the basic appliances and lights we consider an essential part of basic life, i.e., refrigerator, water pump, lights, phone, TV, radio etc. The third tier block will be at a higher rate, and hopefully we can all work in partnership to lower the kWh used by our members in that block, through better and more-efficient choices as we replace older-vintage appliances.

E) **Sources:** As I mention above I believe that securing power sources like our Coventry project is a key to accomplishing the goal of stable rates, as the cost of purchased power

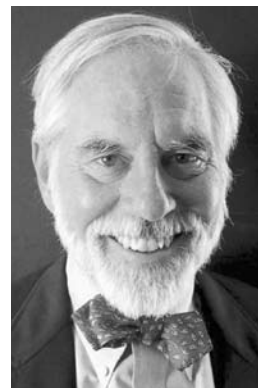
represents nearly 50 percent of our bill.

5. Although serving on the WEC board, and as president of the board, demands a good deal of time and energy, and presents some challenges in terms of time commitment, I feel my efforts and work have been worthwhile, and hopefully have benefited our membership and our Cooperative.

I ask for your support in this election. Please feel free to give me a call at 456 8843 if you have any questions or wish to discuss any issues that concern you as a member-owner of WEC.

Kimberley B. Cheney

1. I've lived at 143 South Bear Swamp Road in Middlesex since 2000. Before that I lived in Montpelier for 32 years. My Co-op membership is listed in Middlesex. I can be reached by phone at 223-3181, and by e-mail at kcheney@cbs-law.com.



2. I am an attorney. I graduated from Yale College in 1957, and after serving four years as a lieutenant in the Navy, I graduated from Yale Law School in 1964. I have served as Washington County State's Attorney and as Vermont's Attorney General. I served as chair of the Vermont Labor Relations Board for 10 years, and as a board member for the Vermont State Employees Credit Union.

3. During my first three-year term on Washington Electric Cooperative's Board of Directors I have acquired a

basic knowledge of the functioning and issues facing the Co-op. I expect a second term will enable me to bring a more informed and effective voice to management.

- As always, bringing reliable power to our members at the least possible cost is our objective. This can be accomplished by encouraging efficient energy use, obtaining power at reasonable rates, and keeping the transmission facilities in good repair. Bringing the Coventry garbage-to-methane plant on line has enabled the Co-op to obtain not only renewable but secure power at a low cost.

Costs have been reduced by the sale of renewable energy credits (RECs) to a Massachusetts utility. The REC market is uncertain. Some of the REC receipts should be used to improve WEC functioning for the future, and perhaps to encourage efficiency and reduced demand. In addition, WEC must continue to seek replacement power for expiring Hydro Quebec contracts. We may need to invest in additional in-state generation capacity to meet our peak demand.

WEC is a dynamic organization dedicated to serving our members. If you have any questions please call me a 223-3181

Roy Folsom

- I live at 2603 US Route 2 in Cabot, possibly more familiar to you as Crooked Brooks Farm, LLC, with my wife of 30 years, Jackie. We have lived here since 1985. I have been a Co-op member since then, and have three Co-op meter accounts. I can be contacted at 426-3579 or 793-5916; by fax at 426-3107; by e-mail at RoyGrnsy@aol.com; by USPO mail at 2603 US Rt. 2, Cabot, Vt. 05647; or stop by the farm.



- I graduated from high school in 1970 from Solon, Ohio. I attended Kent State University for one year. After that I formed a construction company with my brother. In 1973, I moved to Vermont and continued to do the same work.

A slowdown in the economy in the late 1970s allowed me to make a career change to do something I always wanted to do. That was dairy farming. In 1985 I was hired by Oberland farms in Newbury, Ohio, as their herdsman. At the end of my first year I received an award from the Lake Geauga Dairy Service Unit for the "Most Improved Herd." This helped me to decide that someday I wanted to go out on my own. In May 1985, Crooked Brooks Farm,

LLC. was established. Since then there have been constant changes here. We have built all new buildings to increase efficiency. Farming methods have also changed to make work more labor-friendly. I take a business approach to farming. I look closely at my costs of producing milk. Since 1985, milk produced here has quadrupled. Cow numbers have increased by less than 50 percent, but man hours to produce our 1 million pounds of milk annually have dropped by 50 percent. The cost of producing milk has actually dropped.

- The past three years on the Co-op's Board of Directors have been very interesting. I have taken advantage of opportunities to learn as much about the electric utility business as I could. I have attended many seminars, conferences and training sessions. These have helped me to better do my job as a director of a multi-million dollar electric co-op.

I am on the Power & Operations Committee. One important duty of this committee is to secure WEC's future electric supply. As present contracts are to expire they have to be replaced. One of the choices is not to simply purchase power on the open market. The Purchase Power Agreement that WEC has with UPC Wind is very real. This agreement has the ability to provide nearly 25 percent of our power needs of the future, at a price that is considerably lower than market price. Running my own business for the past 22 years, I believe, has given me the kind of experience that will help me to be an effective board member.

- Several of our present power supply contracts will expire in the near future. It is very important that these are replaced with long-term contracts from renewable sources at the lowest possible price. Coventry has been a great addition to our power portfolio. The available gas has been increasing, but we have to be careful to not rely too heavily on this one power source. We need to have several reliable sources to avoid purchases of expensive power if something goes wrong (again).

Keeping the power on is of prime importance. We must replace aging poles and wire. Keeping rights-of-way clear is challenging. Trees seem to grow faster than you can cut them. Any business must have growth to stay healthy. Costs of operating a business are always rising, especially healthcare for employees along with their wages. We must find new long-term sources of low-cost power and do what we can to see that our members use it efficiently.

At some point rates will have to go up. Hopefully, by finding the right power sources for the future and using it efficiently, along with good management cooperation between the board, the manager and staff, WEC can continue to grow and serve its members by providing electric

power that they need and can afford.

- Two things I mentioned above were Coventry and rates. Coventry will be our largest and lowest-cost power supply for many, many years. Combining this power source with our other sources, WEC should stabilize rates for the future for all members, but not forever. Rates, like everything, go up. The operating costs of the Co-op, other than power costs, will continue to increase. Hopefully membership in the Co-op will increase in order to increase revenue to cover increasing operating costs.

Although a small portion of WEC's

total membership, businesses and farms are a very important part of WEC. The same cost increases that WEC is experiencing, so are they. They provide us with services, goods, jobs, food and the rural landscape that we all love. Most of these are high-volume users of electricity. Most have taken measures to be as efficient as possible due to the need to cut operating costs, rather than being concerned about the environment. As a farmer, businessman and Co-op board member, I will do everything I can to keep the electric rates of these important members from rising, and to be sure all members benefit from the low-cost power of Coventry.

President's Report

continued from page 2

our right-of-way coordinator and the contractors he employs, our garage mechanic and the warehouse staff that manages our inventory of parts and equipment, and of our line workers who endure whatever weather conditions Mother Nature throws at them to get every member's back on after outages – and to prevent members from losing their power in the first place.

One of the most incredible and rewarding experiences I have had is seeing our Co-op employees working in full synch during storms, both in the office and the field. Their dedication is something we all should be proud of.

Heart of the system: our substations, distribution and transmission lines

In 2006, as part of our program for improving service reliability, our operations crew replaced the Maple Corner substation in Calais, after members voted last May to approve the \$489,000 project. This marks our third major substation construction project since 2001, all of them built by our own WEC employees. The new Maple Corner facility uses a soybean-based cooling fluid, rather than oil, and includes other features consistent with our environmental commitment.

As reported regularly in *Co-op Currents*, our crews continue to replace the defective "cutouts" installed

Annual Meeting

continued from page 1

role in the direction our communities and our state are taking on these issues. I think we'll all benefit from having him as our speaker this year."

Dworkin put those thoughts in context. "I'm delighted to have a chance to speak to the members of my Co-op — our Co-op — about energy issues," he said. "We have the chance (or duty) to think about and vote upon a vital issue of our time: the interweaving of energy and the environment. That's always been a challenging frontier, and now we live in a time when energy policy is the most important factor affecting the environment, and when environmental

throughout the system during the 1980s and '90s, and to upgrade our system consistent with the current four-year Construction Work Plan (CWP). In 2006 this work achieved significant system improvements in the Orange and Chelsea areas, and a pole-testing and treatment program to extend the life of our poles and thus prevent outages and reduce replacement costs.

These are just some of the operations our crews perform to maintain and improve some of the most rural power lines in the state. The staff and board will finalize a new four-year CWP during 2007 to guide the Co-op's continuing development. Again, I wish to express great appreciation to all our WEC employees, and admiration for their skills and versatility.

See you May 22!

I hope many of our members will join us at this year's Annual Membership Meeting at the Barre Elks Club on Tuesday, May 22. It is an opportunity for all of us — the members, the board of directors, our manager and our employees — to mingle, share a meal, and discuss our operations and future direction. Our guest speaker, Co-op member Michael Dworkin of the Vermont Law School energy project, is one of New England's foremost experts on energy policy and the choices before us as we in Vermont, and the Co-op itself, face a changing energy environment.

We look forward to seeing you there.

effects are the most important constraint on energy policy. I'm looking forward to the chance to share my thoughts, and hear other members' thoughts about where we are and where we should go next, as we prepare to live within a world where controlling greenhouse gases is a real part of life."

The meeting will feature door prizes, timed to spice up the proceedings every once in a while. And members who attend annually see a side of their Co-op that others don't — Washington Electric as a community institution, made up of neighbors, even if there are 10,000 of us now.

The chicken is always good! We'll see you at the meeting.

Treasurer's Report

2006 Treasurer's Report

By Donald Douglas,
Treasurer

Washington Electric Co-op ended the year with a satisfactory bottom line and I ended the year with egg on my face. As a result of the devastating fire that occurred on August 8 at our Coventry landfill gas-to-energy plant it seemed impossible that we would make our lenders happy this year. The fire shut the plant down for nearly a full quarter. This meant we would be forced to buy more expensive power than we had budgeted for, and that we would not have the revenue from the sale of the Renewable Energy Certificates (RECs).

From September through December, I reported to the Board every month that we could not make TIER (ratio of margins to debt that our lenders require). We do not have to make our TIER every year, but we do have to maintain an average of the best two out of three years. However, our Board has



Donald Douglas

been making a concerted effort to achieve sufficient margins every year. In the past we have deferred the expenses from large storms, shifted operational expenses and tightened our belts, all in an effort to make TIER.

The fire in Coventry was such a financial catastrophe that I did not believe we would make TIER. We had business-interruption

insurance and insurance on the building and the equipment. But it seemed unlikely that before the end of the fiscal year we would have a resolution to all the insurance claims.

I was wrong. We do have outstanding claims as a result of the fire; however our insurance carriers agreed to cover sufficient losses such that we ended the year with \$336,638 in Net Margins, which is sufficient to make our lenders' TIER requirements.

Revenue

Our operating revenue for 2006 was

\$12,857,466, which is an increase of \$852,171 over the previous year. We continue to improve our ability to budget for the operation of the Co-op. The weather often makes our best guesses seem very high or very low. Storms can cause our labor costs to push beyond the budget. And then, in a year with fewer outages, we have thousands of dollars left over in the budget.

Storms and the resulting outages are not the only problem with the weather. 2006 was unusually cool in the summer, cloudy and wet and certainly not hot. So air conditioners and fans were not running and members had lower bills and fewer sunburns. The winter was milder, so furnaces were not working as hard. We sold less power in 2006 than we did in 2005 and we did not budget for that. This illustrates the difficulty of budgeting for any utility which is greatly affected by weather.

Power Costs

The total cost of purchased power for 2006 was \$5,242,002. This is less than the total cost in 2005 by more than \$184,000, and is the second year in a row that our cost for power has declined. I don't think there is another electric utility in Vermont, or all of New England for that matter, that is seeing a decline in its total power cost. As our Coventry plant produces more power (now with the fourth engine running) we should see an even steeper decline in the cost of power.

Unfortunately, other costs to WEC are increasing. For example, the cost of the steel we use to construct our substations, and in transformers and other equipment we purchase, has been rising at more than 20 percent.

Looking at the 2006 Sources and Costs of Power pie chart one sees that just over a third of our power is produced at the Coventry plant. The per-kWh cost of 5.5 cents is a little misleading going forward. Due to the fire, the plant was not producing power at all for about three months and was in a startup mode for a few weeks more. As a result, the average cost of power is inflated by about 25 percent. This is due to the fact that we had to cover the debt service for a long period with no production.

In the coming year the price should be just above 4 cents/kWh. And the plant should begin producing over 50 percent of our total power needs rather than the 36.5 percent from 2006. We will be reducing or eliminating the more expensive sources of power and replacing them with the less expensive Coventry power. We are also planning to add, at an attractive price, at least 6 MW of wind power to our power portfolio.

Operation and Maintenance

The cost of keeping our system running rose by \$290,000. This increase was in Administrative Costs, Consumer Accounts, and Distribution Expense. Most of the increases were in our budget.

Capital Credits

The Board of Directors authorized paying capital credits to both current and former members in 2006. The total amount returned to the members was \$242,388. Returning capital credits demonstrates the commitment of the Board of Directors to cooperative principles. Since beginning to retire capital credits in 1998, WEC has returned \$1,919,928.85 to the members. That's right. Almost TWO MILLION DOLLARS has been paid back to the members. Think of it as a reduction in your electric bills!

On behalf of the Board of Directors I want to thank Linda Nelson, Director of Finance, and the entire Finance Department for their commitment to Washington Electric Co-op. Copies of the audit are available at the Co-op office.

Right-Of-Way Reclearing Projects Scheduled

Affected Members with 'Special Trees' Should Call the Co-op

For the Period Through Spring/Summer 2007

The Co-op will continue working to improve service reliability by reclearing power-line rights of way in the areas described below. Right-of-way reclearing normally involves removing trees and pruning vegetation for 15 feet on either side of a single-phase distribution line, and for 25 feet on either side of a three-phase main distribution line. Except where noted, all of these projects involve single-phase lines, those carried by poles without cross-bars. Reclearing projects often involve a tap. That's where a single-phase line takes power from another line.

Throughout the year, post cards are mailed to members notifying them that right-of-way maintenance is to take place. Also, WEC's automated message-delivery system will place a phone call (if a phone number is on file) to all households affected by such maintenance projects up to two or three weeks before work on the property is to begin. Calls will be placed in the evening when most members are likely to be home. If no one answers, Co-op staff will attempt to reach that member during the day.

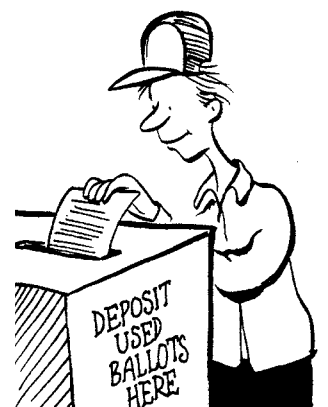
Because the evening calls are automated, they cannot hold the line if, for example, a child answers. If you believe you may have received a call from WEC, please call during office hours to check. If you have a tele-zapper you will not receive our automated calls successfully so please notify us at WEC so we can delete you from our calling list. If you are notified that a portion of your property is to be recleared and you especially hope to save any particular trees that are within the right-of-way, call the Co-op.

The Co-op's Right-of-way Management Coordinator Mike Myers, also a forester, will be happy to talk with you about any problems.

Bradford	Wrights Mountain Road
Brookfield	3 Phase line Stone and Northfield Roads to Roxbury Town Line
Cabot	Cabot Plains, Dubray and Danville Hill Roads
Corinth	Maplewood Road
Duxbury	Upper and Lower Crossett Hill Road, Richardson Road
East Montpelier	– 3 phase line near County Road between Powder Horn Glen and Templeton Road
East Montpelier	– Dodge Road and Partridge Lane
Moretown/ Middlesex	– 3 phase line from Moretown substation to Molly Supple Road including Hathaway and Middlesex Center Roads
Northfield	3 phase line Winch Hill, Bull Run, and Messier Roads to Route 12A
Orange	Orange Heights Route 302 to Junction with Route 25 including Provencher and Riddle Pond Roads
Roxbury	3 phase line Harriot Road across Route 12 and over ridge to Winch Hill Road
Topsham/ Orange/ Washington	– East Orange Road
Walden	Coles Pond Road and Stone Lane
Washington/ Williamstown	– Washington and Macdonald Roads
Williamstown	Jackson Corners 3 phase line to Boyce Road, Birch Lane, Covey and Stone Roads
Worcester	Frazier and Mackenzie Roads

Notice

Members may vote at the Annual Meeting on May 22 or by ballots accompanying this issue of *Co-op Currents*. Mailed ballots must be received at the Barre Post Office no later than 3 p.m. on Monday, May 21. Members mailing their ballots from out of state are advised to mail them several days before the deadline to be sure that their ballots will qualify. Local members, too, are encouraged to allow a few days for postal delivery. Anyone with questions about voting or deadlines can call Debbie Brown at the Co-op.



Copies of the audited financial statements of Washington Electric Cooperative are available by contacting the office and will be available at the annual meeting. WEC's 2006 Equity Distribution Plan will also be available at the annual meeting and is posted on our website.

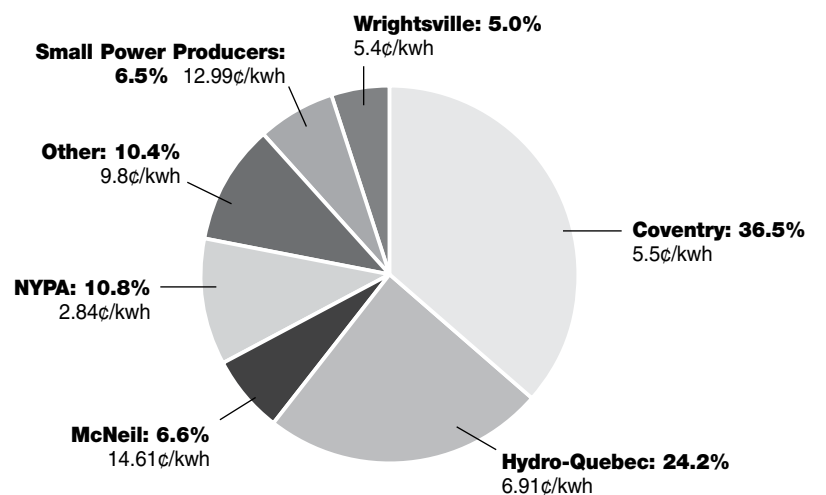
Balance Sheet

Assets and Other Debits			
	12/31/05	12/31/06	Increase (Decrease)
Utility Plant			
Total Utility Plant in Service	\$50,150,960	\$52,577,970	\$2,427,010
Construction Work in Progress	770,313	1,852,092	1,081,779
Total Utility Plant	50,921,273	54,430,062	3,508,789
Accum. Provision for Depreciation	13,470,696	14,600,825	1,130,129
Net Utility Plant	\$37,450,577	\$39,829,237	\$2,378,660
Other Property and Investment - At Cost			
Invest. in Assoc. Org. - Patronage Capital	130,511	138,098	7,587
Invest. In Assoc. Org. - Central Vt. Mem. Civic Center	335,672	292,808	(42,864)
Invest. in Assoc. Org. - Other	479,923	477,699	(2,224)
Other Investments	364,387	1,169,140	804,753
Total Other Property and Investments	\$1,310,493	\$2,077,745	\$767,252
Current Assets			
Cash - General Funds	306,758	422,673	115,915
Temporary Investments	126,053	132,428	6,375
Notes Receivable - Net	190,849	182,445	(8,404)
Accounts Receivable - Net	3,034,415	4,454,621	1,420,206
Materials and Supplies	314,764	339,704	24,940
Prepayments	81,172	39,645	(41,527)
Total Current and Accrued Assets	4,054,011	5,571,516	1,517,505
Deferred Debits	696,800	446,530	(250,270)
Total Assets and Other Debits	\$43,511,881	\$47,925,028	\$4,413,147
Number of Consumers			
	10,111	10,265	154
kWh Sold			
	68,790,742	68,545,345	(245,397)

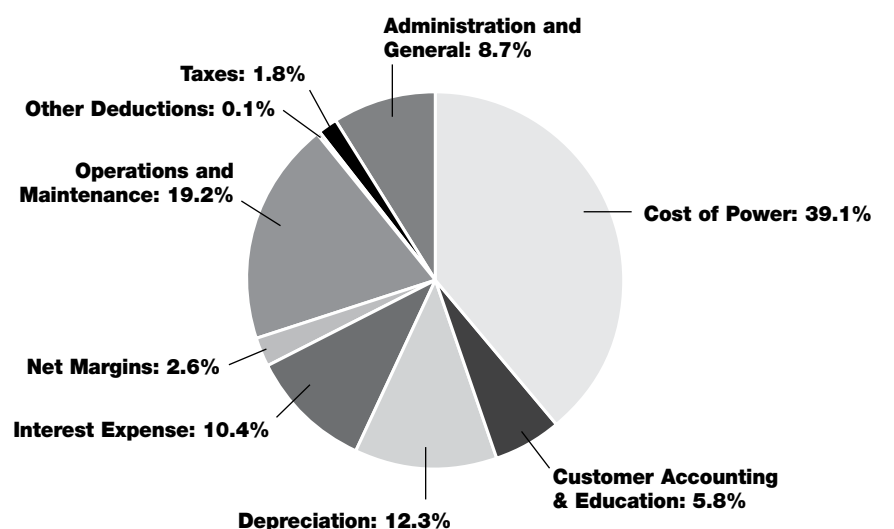
Liabilities and Other Credits			
	12/31/05	12/31/06	Increase (Decrease)
Memberships	\$81,505	\$88,470	\$6,965
Patronage Capital Credits	5,822,650	5,903,237	80,587
Contributions-in-Aid-of-Construction	8,059,883	8,543,464	483,581
Operating Margins - Prior Years	0	0	0
Operating Margins - Current Year	150,856	233,716	82,860
Non-Operating Margins	178,968	102,923	(76,045)
Other Margins and Equities	184,111	188,393	4,282
Total Margins and Equities	\$14,477,973	\$15,060,203	\$582,230
Long-Term Debt			
Long-Term Debt - RUS	22,727,865	23,599,351	871,486
Central Vt. Memorial Civic Center	335,672	292,808	(42,864)
Long-Term Debt - Other	3,559,465	3,242,592	(316,873)
Total Long-Term Debt	\$26,623,002	\$27,134,751	\$511,749
Current Liabilities			
Notes Payable	461,675	3,408,145	2,946,470
Accounts Payable	1,221,550	1,499,127	277,577
Consumer Deposits	150,631	161,678	11,047
Other Current and Accrued Liabilities	414,458	477,223	62,765
Total Current and Accrued Liabilities	\$2,248,314	\$5,546,173	\$3,297,859
Deferred Credits	162,592	183,901	21,309
Total Liabilities and Other Credits	\$43,511,881	\$47,925,028	\$4,413,147

Statement of Operations			
Item	Actual 12/31/05	Actual 12/31/06	Increase (Decrease)
Operating Revenue	\$11,990,295	\$12,789,617	\$799,322
Cost of Purchased Power	5,095,940	4,360,054	\$(735,886)
Cost of Generated Power - Wrightsville	325,464	677,076	\$351,612
Total Cost of Power	\$5,421,404	\$5,037,130	\$(384,274)
Other Operation & Maintenance Expense			
Transmission Expense	11,338	17,400	6,062
Distribution Expense - Operation	845,786	961,468	115,682
Distribution Expense - Maintenance	1,215,115	1,495,455	280,340
Consumer Accounts Expense	587,065	632,989	45,924
Customer Service & Education	190,561	113,904	(76,657)
Administrative and General Expense	934,998	1,115,252	180,254
Total Other Operation and Maintenance Expense	\$3,784,863	\$4,336,468	\$551,605
Fixed Expenses			
Depreciation and Amortization Expense	1,355,772	1,580,804	225,032
Tax Expense - Property	24,783	116,837	92,054
Tax Expense - Other	114,415	119,831	5,416
Interest on Long-Term Debt	1,088,852	1,276,760	187,908
Interest Expense - Other	18,044	69,936	51,892
Other Deductions	31,306	18,135	(13,171)
Total Fixed Expenses	\$2,633,172	\$3,182,303	\$549,131
Total Cost of Electric Service	\$11,839,439	\$12,555,901	\$716,462
Operating Margins	150,856	233,716	\$82,860
Non-Operating Margins - Interest	56,014	83,547	27,533
Non-Operating Margins - Interest	83,547	113,518	29,971
Non-Operating Margins - Other	95,422	(10,595)	(106,017)
Extraordinary Item			
Net Margins	\$329,825	\$336,639	\$6,814
Times Interest Earned Ratio (TIER)	1.30	1.26	(0.04)

2006 Sources and Costs of Power



Where the Dollars Went



Manager's Report

continued from page 3

bad weather causes us more problems than last year, but overall we are seeing decline both in the number of outages and their duration.

The Quality of Our Service

WEC's 1,286 miles of line are a physical connection to each one of our members. We recognize that our members' support of their Co-op,

our efforts to move to a cleaner and more sustainable energy future and to conserve and use energy wisely, are directly linked to how you feel about the Co-op on a daily basis.

How you feel about the Co-op depends on WEC's service quality and service reliability, and those expectations unite all of our members regardless of any other differences. When I review these results, I categorize them as "good and getting better."

Our line workers maintain and

improve the poles and wires, our engineers plan upgrades and new lines, our right-of-way coordinator and contractors keep the trees away from the lines while respecting members' concerns about appearances, our member services representatives handle the billing and answer every call that comes in, and other employees make sure that we comply with environmental and safety regulations, keep the trucks running, and properly account for the dollars, the equipment and the inventory.

When annual reports indicate that we are doing a good job serving our members, we owe thanks to the Co-op's employees who provide the services every day.

Hope to see you

I look forward to seeing many members at our Annual Meeting. As always, please feel free to contact me by phone, letter or email with any questions, comments or concerns you may have.

April Storm Blows Through WEC Country

But By Comparison, Co-op Can't Complain

Snowfall in most parts of the state was less than the six-to-14 inches meteorologists were predicting ahead of the storm that swept New England on Sunday, April 15, and Monday the 16. But wind damage that brought down trees, wrecked homes and garages, and cluttered up the roads in the worst-hit parts of the state more than made up for it.

At its worst during the two-day storm, some 60,000 homes and businesses in the Green Mountain State were without power. For Washington Electric Co-op, outages reached 2,000 by midday Monday – a fifth of the Co-op's total membership – and some of those members remained without power for as long as three days. However, the damages in Rutland and Lyndonville, as reported in newspaper and TV accounts, put WEC's problems in perspective.

"For our people who lost their power, it definitely was a significant storm," said WEC General Manager Avram Patt. "On the other hand, it wasn't one of our historical storms, like Tropical Storm Floyd in 1999 [in which more than 3,000 WEC members lost power and damages exceeded a quarter-million dollars]. We've had worse, both in terms of outage duration and the numbers of people affected. It's really a matter of luck – where in the state the worst weather happens to strike."

This time, we had more snow in central Vermont than the statewide average, but wind damages were limited to a few areas. The damages came in two distinct waves. The storm began mid-morning on Sunday, and the Co-op began receiving outage reports that afternoon. The calls continued into the night. The problems were caused mainly by wet, heavy snow (typical for April snowstorms), which break trees and

branches that come down on the power lines.

"We had about 1,000 people out on Sunday, and we knew our crews would be out all night long, which they were," Patt said. "By about 6:30 Monday morning we were down to about 350 outages."

But that's when the wind picked up, bringing a second wave of problems.

"By later that day we had 2,000 people out of power," said Patt. "In some cases they were people whose power we had just restored, and in other cases it was different people who lost it."

The greatest wind damage occurred in the Corinth and Topsham area of Orange County, and in Walden (Caledonia County) and Cabot (Washington County). Patt explained that the nature of the outages made it a slow process getting everyone back on.

"The damages tended to be power lines on the ground and the occasional broken pole, in quite-rural areas of our territory. In most cases they affected relatively small numbers of people, but they were the kind of jobs that would take four workers an hour or two to repair, and when you're done you've only put six people back on."

At that pace, catching up with the outages took time. By Wednesday morning – three days after the storm began – some 350 WEC members were still waiting to get their electricity back. Those members were taken care of by that evening.

A thank-you to Morrisville

Fortunately, WEC received assistance during this storm from the Morrisville Water & Light Department, which sent a crew to chip in.

"We needed that help, and we really owe the Morrisville municipal and their

Dinner Menu

RESERVATIONS ONLY. Please return the form below, with payment, **no later than Friday, May 11, to WEC.** Meal tickets will be distributed during registration.

- Oven Roasted Chicken
- Meatless Mostaccioli
- Green Beans or
- Vegetarian Lasagna
- Green Beans
- Both meals include:* Salad & Dinner Rolls, Ice Cream, Coffee/Tea/Milk

Dinner Reservation

for May 22, 2007 Annual Meeting

To be returned with check or money order
(Please do not return in ballot envelope.)

Name(s) _____

Map # _____ Telephone # _____

Number of persons attending _____


Indicate number of each entrée: [] Chicken [] Lasagna

Amount enclosed: \$ _____

*(\$6 per person. Make checks payable to WEC and return to:
PO Box 8, East Montpelier, VT 05651)*

linemen our thanks," said Patt. "Utilities all around the state were helping each other out after this storm, but by the time we were in a position to offer crews to other companies our help wasn't needed anymore."

The mid-April storm ended a

remarkably long period of more than a year during which Washington Electric suffered no widespread storm-related outages. In that sense, Vermont returned to form on April 15, but certainly most of us hope it was the last gasp of winter before spring. 



The April 15 storm on a dirt road in Worcester.

PSB Ends Hearings On Sheffield Wind Project

The Vermont Public Service Board (PSB) has completed hearings on the petition put forward by UPC Vermont Wind, LLC, for permission to build a 40-megawatt (MW) wind electric-generation project on select mountain ridges in Sheffield (Caledonia County), Vermont. The Board will now begin its decision-making process. If the project is approved and constructed, Washington Electric Cooperative will purchase 6 MW of power from the company, equivalent to about 10 percent of the Co-op's total power needs.

The PSB opened its hearings in January 2007 and concluded them, provisionally, on February 9. It left the case open, expecting additional

technical testimony in March; that testimony eventually was canceled, and the Board announced on March 21 that its hearings on UPC Vermont Wind were closed.

"The Board expects to issue a 'Proposal for Decision' around midsummer," said WEC General Manager Avram Patt. "That would be a document that would say, 'Here's how we're planning to rule on this matter,' which allows the parties in the case to respond. The Board then takes those responses into consideration, and issues its final decision. For UPC Wind, that would probably come in the fall."

The permit the company needs is a Certificate of Public Good. Like Act

250 permits, Certificates of Public Good frequently come with conditions that the company would be required to meet.

When UPC Vermont Wind (a subsidiary of a wind-electric company based in Massachusetts) submitted its original application to the PSB it envisioned 26 wind turbines, with a total generation capacity of 52 MW. The proposal also included infrastructure and transmission lines to convey the power into the regional electric system.

Turbines would have been located in both Sheffield and the neighboring town of Sutton. There was more opposition to the proposal raised in Sutton than in Sheffield (which officially supported UPC). During the PSB review period, the company scaled back the project to 40 MW and eliminated the turbines planned for Sutton (see Barry Bernstein's President's Report, page 2).

The Department of Public Service

(DPS) and Vermont Agency of Natural Resources (ANR) were parties to the hearings, and registered concerns about elements of the original proposal. Some of the changes UPC made were directed to those concerns.

"In the end, both the DPS and ANR signed a stipulation that their conditions had been met," said Patt. "I don't believe I could safely characterize that change in their position as support for the project, but the agencies did sign off on it, which was a formal acknowledgement that their concerns in those areas had been addressed."

UPC is finalizing power-purchase arrangements with two other Vermont electric utilities in addition to Washington Electric. As a result, 100 percent of the power generated from wind at the Sheffield site will go to Vermont consumers, at long-term, economical prices. 