

WEC CO-OP CURRENTS

Vol. 64, No. 4

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

June/July 2003

Power Strategy, Taxes And 'The Movies' Top WEC Annual Meeting

Jay Leno and Fred Tuttle put in a guest appearance at Washington Electric Cooperative's 64th Annual Membership Meeting at the Montpelier Elks Club on Tuesday, May 20. And they were a big hit – even though they appeared only through the magic of video tape.

Tuttle, the star of Tunbridge filmmaker John O'Brien's now-classic 1996 movie, "Man With A Plan," and Leno, host of The Tonight Show, had nearly 200 Co-op members, employees and guests laughing loudly together after an evening of more serious Co-op business. O'Brien, the featured speaker at the Annual Meeting, played the tape of Tuttle's 1998 appearance on the New York TV program while discussing his movie-making career in Vermont. O'Brien, Tuttle and many of the characters in O'Brien's films – including his recent production, "Nosey Parker" – are Washington Electric Co-op members. All eyes were on the two large-screen TVs as Tuttle charmed Leno with an accent thick as maple syrup and his

natural gifts as a comedian.

Perhaps most "charmed" that evening was Co-op member Ira Hatch, because it was his ticket number that was called at the end of the meeting for the biggest door prize WEC has ever offered at an Annual Meeting. Mr. Hatch, of Williamstown, went home \$100 richer. Earlier, other members won smaller cash prizes (\$50), credits on future electric bills, and consumer goods donated by WEC and other area businesses. Several won a "shower radio," which probably isn't as dangerous as it sounds!

As always, the annual gathering was a combination social-event-and-business-meeting. First came dinner, served by the Elks' unflappable staff. People who had not already voted by mail in the election of three candidates for WEC's nine-member Board of Directors cast their ballots at the meeting. The results were announced during the evening: Incumbent directors Roger Fox of Walden and Richard Rubin

continued on page 4



photo courtesy of Jack Rowell

Fred Tuttle got a lot of laughs from Jay Leno, and from his fellow Co-op members, when John O'Brien played this videotaped segment from *The Tonight Show* at WEC's Annual Meeting.

Legislature Makes Headway On Renewables Conn. River Dams Could Fit A Successful Formula

By Barry Bernstein, President
Washington Electric Cooperative

Our annual Washington Electric Cooperative membership meeting on May 20, 2003, provided an opportunity for your Board of Directors and general manager to discuss where we are attempting to lead the Co-op in terms of obtaining reliable sources of electric power at stable, affordable rates

for our 9,600 Co-op members.

As people know if they attended the Annual Meeting or read *Co-op Currents*, WEC has been increasing the percentage of renewable power in its wholesale power portfolio. Our sources presently include hydropower and landfill methane, and may in the future include more from those sources as well as wind-generated power. We do this not only because of

continued on page 3

Inside

True to 'Cooperative Principles,' WEC founds a fund for local giving. See how you fit in. Page 8.

Co-op pioneer Marion Button of Chelsea remembered. Page 6.

Northern Power Systems and Mad River Industrial Park are growing. WEC keeps up with changes to this industrial base and its residential neighbors. Page 7.

Annual Meeting coverage, in photos and text, continues on page 4.



John O'Brien, whose film 'Man With A Plan' launched Fred Tuttle's post-agriculture career, speaks to WEC members at the Annual Meeting about film making in Co-op Country.

Washington Electric Cooperative
East Montpelier, VT 05651

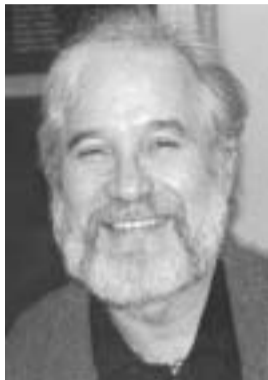
President's Report

2003 Annual Meeting: A Good Turnout And An Interesting Evening

By Barry Bernstein

On May 20, 2003, Washington Electric Co-op held its 64th Annual Membership Meeting, and I want to thank the 196 members, employees and guests who took the time to share a meal and participate in their Co-op's annual business meeting. More than 800 members voted by mail in the election of three people to serve on WEC's Board of Directors and on an amendment to our bylaws. Although we always would like more member participation, it was a good number given that there were no significant issues before the membership.

We were fortunate to have Co-op member and independent film maker



Barry Bernstein

John O'Brien from Tunbridge share his experiences and film footage of recent movies he has brought to the screen, which focus on life in Vermont Co-op Country. It was not John's first annual meeting, as his father, **Bob O'Brien**, was a former state senator from Orange County and served as president of the WEC Board in the 1970s.

Our general manager, **Avram Patt**, gave a presentation on the Co-op's power supply, outlining our present sources and future options. In our efforts to reach out and involve more of our members, WEC will hold two local area meetings in September, one in Corinth and one in Moretown, with a meal and a power-supply presentation by Avram to lead off the evening's discussion. WEC staff and

Board members will also be on hand to hear from members on any other subjects they have in mind.

If we have a good turnout for these supper meetings we will hold additional events in other parts of our service area.

We also were presented with a petition by **Carroll Beard**, a member from Orange, signed by 120 Co-op members in opposition to our lawsuit regarding our property tax appraisals in five towns where WEC has power lines (See "Power Strategy, Taxes," page one). I want to publicly thank Mr. Beard for the manner in which he presented the petition. While the WEC Board believes our position on the matter has been taken in the best interests of the membership, we fully respect the petitioners' right to disagree and to raise their concern by presenting the Board with a petition.

I also want to thank many of our state legislators who serve in our member towns for taking the time to attend the WEC annual meeting even though they were in the throes of the end of the legislative session. Those attending were Sens. **Mark MacDonald** of Orange County (a Co-op member); **Ann Cummings** and **Bill Doyle** of Washington County; and Reps. **Wayne Kenyon** of Bradford, **Tony Klein** of East Montpelier (a WEC member). Also attending were **Bob Northrup**, president of the Board of Directors of Vermont Electric Cooperative, and Board

Secretary **Jack Slagle**; Burlington Electric Dept. General Manager **Barbara Grimes**; Vermont Public Power Supply Authority General Manager **Bill**

Gallagher; Hardwick Electric Department Manager **Joe Bongiovanni** (a WEC member) and **Eric Werner**, who is preparing to succeed Joe upon his retirement from the Hardwick department; and **John Quinney**, manager of the Vermont Consumers Energy Cooperative.

We were excited to be able to provide a

\$100 door prize for the first time this year. The winner was Co-op member **Ira Hatch** from Williamstown. Congratulations to Mr. Hatch, and thank you for attending! It's also worth mentioning that all Co-op members who joined us at the Annual Meeting received a prepaid WEC calling card featuring the Co-op's logo, good for an hour of long-distance calls.

I hope all of our members have weathered this year's rainy spring, and that each of you enjoys our much-deserved summer.



Co-op Currents

Co-op Currents (Publication No. USPS 711 -210 and ISSN No. 0746-8784) is published monthly except February, May, August and November by Washington Electric Cooperative, Inc., Route 14, P.O. Box 8, East Montpelier, Vermont 05651. The cost of this publication is 37¢, which is included in the basic monthly charge to each member. Periodical postage rates at East Montpelier and at additional offices. Postmaster: Send address changes to *Co-op Currents*, P.O. Box 8, East Montpelier, Vermont 05651.

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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 Management and Programs Administrator Administrative Assistant Deborah Brown, 802-223-5245.

Minutes of the 2003 Annual Membership Meeting can be read on the Co-op's website – www.washingtonelectric.coop – or obtained on paper by contacting WEC's office.

Left behind at the Annual Meeting: a pair of prescription glasses, full-size, gold frame. For further information call Deborah Brown at Washington Electric Cooperative: 223-5245, ext. 13.

MARKETPLACE

FOR SALE: Lincoln arc welder, plus approximately 275 pounds of assorted welding rods. \$750 firm. ALSO a love seat and matching chair, a regular recliner and a wall-hugging recliner. \$375 for the four pieces together, but will sell separately. Call Wendell Laundry, 476-6574.

FOR SALE: Red Dexter bull, about 15 months old. Can be registered. For further information contact Olis Thurston, Corinth, 439-6437.

FOR SALE: Kubota tractor B7100. Four-wheel drive, 16-horsepower diesel, with 48-inch mower, hydraulic snow plow-dozer blade; extra blade, new tires filled, rear studded chains, front weights, roll bar, manuals. Excellent condition, low hours. \$6,200. Photo available. Call 685-3321.

Manager's Report

continued from page 1

the environmental benefits of renewables compared to fossil fuel and nuclear power, but also because our recent experience leads us to believe that if we plan carefully and buy wisely we gain economic benefits through long-term contracts for renewable energy.

Following up after our Annual Meeting and the close of the 2003 session of the Vermont Legislature, I want to mention two important pieces of energy-related legislation that passed late in the session.

The first was a provision in the Capital Construction Bill, championed by Sen. Vince Illuzzi, of Essex/Orleans counties, and others, and supported by WEC, which set up a process to have the state study the potential purchase of the hydroelectric power facilities on the Connecticut River.

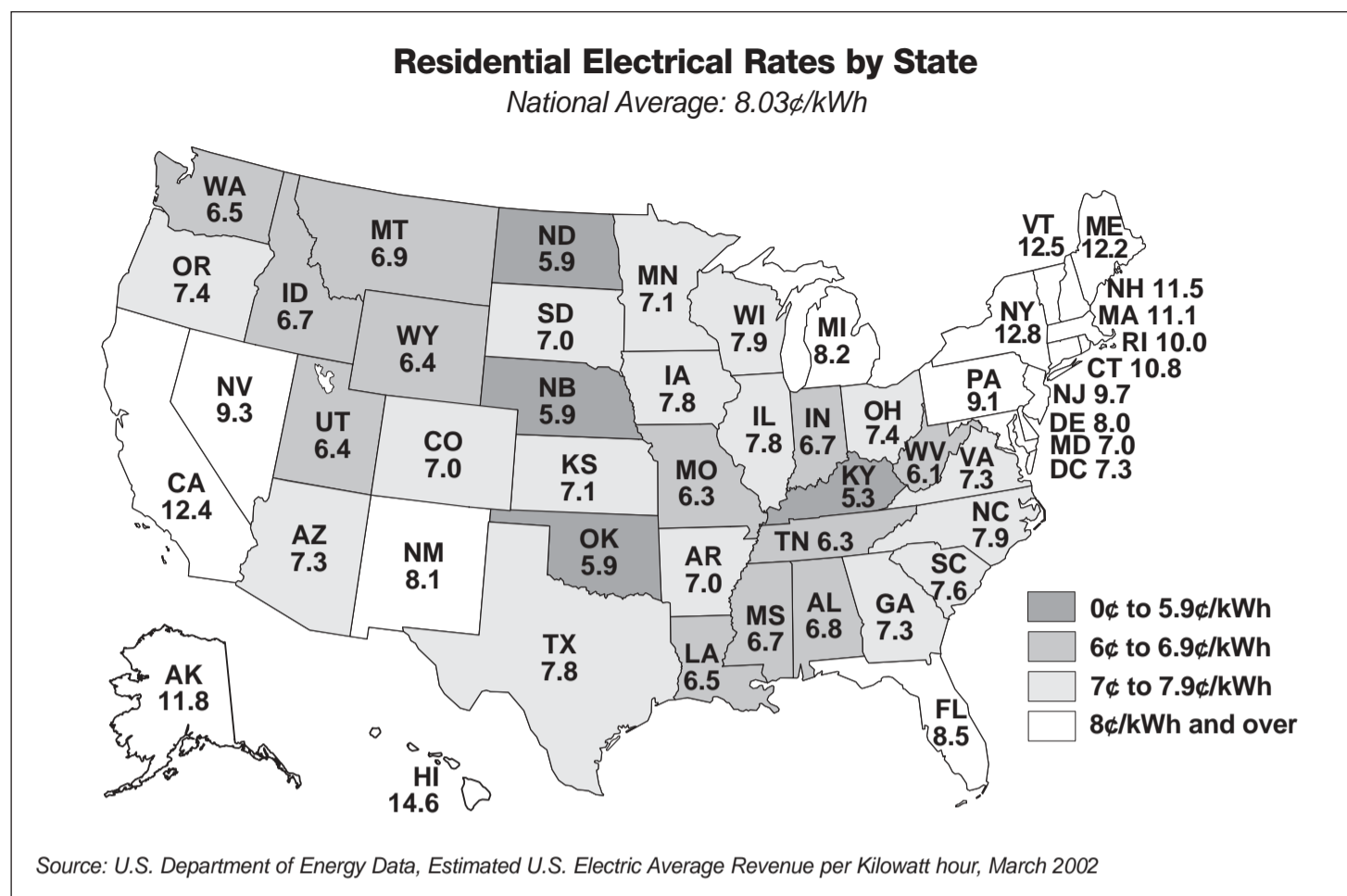
The hydropower facilities are being sold by their current owner, a subsidiary of Pacific Gas & Electric, in bankruptcy proceedings. They include six dams on the Connecticut River that produce, altogether, 497 megawatts (MW) of peaking power, and five dams on the Deerfield River producing 73 MW. The value of these facilities is considered to be \$600 million to \$900 million.

While questions have been raised about the State of Vermont buying these dams and being in the power business, I would like to draw attention to the lower electricity rates prevalent in the U.S. South and West (see map, this page). To a significant degree, these rates stem from two factors: the use of local resources (i.e., coal and hydro) for generation, and public financing of large hydroelectric generation projects such as the Bonneville and Tennessee Valley power authorities, serving the Pacific Northwest and the Southeast, respectively.

It is politically popular these days to call for lower electric rates in Vermont (and we have witnessed the failed attempt to reach that goal through electric restructuring or deregulation schemes in other parts of the country). However, I believe it is a myth that anyone will really be able to reduce rates in Vermont, when they are on the rise nationally and the factors that cause New England to have comparatively high rates are not going to change. I also believe it is a misdirected use of effort for Vermont to declare its policy to be one of lowering our electric rates.

Instead, our focus should be more on holding rates stable in Vermont, preventing both large cost increases and unsettling cost fluctuations. This is what WEC is trying to do. The example of the South and West provides instruction: local power sources, and low-cost public financing.

If the dams on the Connecticut River are purchased in bankruptcy proceedings, with the use of public revenue bonds (where income covers bond debt, without profit margins built in), Vermont



could potentially have a low-cost, renewable source of electricity providing a significant portion of our energy needs. Among the potential options for purchase could be to use the existing structure of the Vermont Public Power Supply Authority (VPPSA), created more than 20 years ago by a forward-thinking Legislature. The purchase could be organized as a special VPPSA project, with a publicly appointed board to permanently oversee the Connecticut River project. There could, of course, be other mechanisms for establishing public ownership and oversight of the hydro project.

We note that the study of the former PG&E dams has begun, and that Dave Lamont of the Department of Public Service has indicated that public ownership might reduce the cost of power by 20 percent compared to private ownership.

Further 'green' legislation

A second piece of renewable-energy legislation, "An Act Relating to Promotion of Energy Efficiency and Renewable Electric Generation," was spearheaded by State Reps. Tony Klein of East Montpelier (a Washington Electric Co-op member) and Mark Young of Orwell in the House, and by a bipartisan group of senators in that chamber. It was signed into law on June 17 at a ceremony attended by WEC General Manager Avram Patt.


WEC testified in favor of the bill, but we had concerns about some elements of it. It makes a modest attempt to support the use of renewable energy generated on-site for residential and business users, and also initiates a study by the Public Service Board (PSB) on the question of a

required Renewable Portfolio Standard (RPS) for utilities. WEC is committed to securing its future power supplies from renewable sources, but questions whether an RPS is the right approach. Perhaps an RPS that requires a set percentage of "green" wholesale power for each utility might drive the price of that power higher than it need be (supply-and-demand), thus raising the retail cost per kilowatt-hour (kWh) for our members.

The bill also includes a "green pricing option" for electric utilities. Through green pricing, utilities offer interested customers an opportunity to pay a little extra for their power, with the added money going to support renewable-energy projects (not necessarily local ones).

At WEC, we are trying to ensure that

all of our new power comes from renewable energy sources, rather than supporting green energy abstractly by buying green energy credits somewhere else in the country. Still, WEC is committed to the overall goals and objectives of the new energy bill. Our thanks go to the sponsors and all the folks at the Statehouse who voted for renewable energy, who worked behind the scenes to bring these issues forward, and who compromised their positions to reach agreement.

In 2003 the Legislature took steps that may lead Vermont to take greater advantage of its abundant renewable energy potential. Your Co-op will stay abreast of developments and continue our reports to you. 



The Shepard Brook in North Fayston gurgles invitingly on a hot summer day.

Q & A:

WEC Members Never At A Loss For Questions

“Every year the people who attend our Annual Meeting have something to say,” says WEC General Manager Avram Patt, reflecting on the comments, questions, challenges and complaints that Co-op members invariably bring with them to the annual membership meeting.

That’s as it should be. The May event represents the largest gathering of Washington Electric Co-op members, staff and directors in the same place at the same time all year long. The whole idea is for the members to learn first-hand what WEC’s leadership is doing, and for Board members and staff to find out what’s on people’s minds. It’s the best way to keep the Co-op on track.

This year Co-op member Carroll Beard of Orange arose from the back of the room during the business portion of the meeting to express what was on his mind, and the minds of 120 other members who had signed a petition calling on Washington Electric to drop its lawsuit against five local towns. WEC President Barry Bernstein – a former Co-op dissident himself – accepted the petition on behalf of the Board and thanked Mr. Beard for his interest. General Manager Patt explained the Co-op’s purpose in pursuing the suit: to reduce WEC’s spiraling tax bills and relieve pressure on members’ electricity rates. (For further details, see “Power Strategy, Taxes and The Movies,” page 1.)

Other members, too, were concerned about the relationship between their personal property taxes and the Co-op’s property taxes, which ratepayers cover in their electric bills. One member observed unhappily that he paid taxes on the portion of his property used by the Co-op’s right-of-way.

Patt explained: “Yes, our members are paying electric rates and for the most part are also paying property taxes in the towns in our service territory.” The difference, Patt said, is that the property owner pays taxes on the value of the land, while WEC pays taxes on the value of its poles and wires.

“In most of our towns,” Patt said, “WEC is not the only utility, but we are the utility responsible for serving the rural areas. We earn about \$7,000 to \$8,000 revenue per mile of line per year, compared, for example, to the Burlington Electric Department, which gets about \$200,000 of revenue per mile per year. That’s the reason that it’s probably true that Co-op members pay more, in their electric payments, for the Co-op’s property taxes than other residents of the same town pay for their utility’s taxes when they pay their electric bill.”

A major focus of this year’s Annual Meeting was power supply and WEC’s interest in increasing the portion of its wholesale power that is generated from “green,” or renewable, sources. Local generation from landfill gas (methane) is a strong possibility. (WEC already obtains a significant portion of its power from a landfill station in Connecticut.)

This prompted a member to ask (perhaps indelicately), **“Are we looking into cow poop as a source for methane-generated power?”**

Said Patt, “We are not actively looking into that. The issue for manure-to-energy in Vermont is critical mass. Our farms are not large enough to produce the amount of methane that would justify an investment in power-generation equipment. In the Co-op’s immediate area there aren’t that many farms left, and the ones remaining are relatively small.”

Former Board member Dan Wing had a question about the Vermont Consumers’ Energy Cooperative. The VCEC is a cooperatively owned fuel oil company, which WEC helped get off the ground. So far its coverage is limited, and overlaps WEC’s territory only in towns adjacent to Montpelier.

Wing said, **“The oil cooperative doesn’t serve our entire area. Is it fair that the Co-op should help support it?”**

“Getting into the fuel business is usually done by acquiring an existing company,” Patt explained. “VCEC was able to buy one in Chittenden County.”

For a fuel company to expand its coverage it must add delivery trucks and drivers. VCEC Manager John Quinney – who attended Washington Electric’s meeting – said that a truck and driver can only serve 700 to 1,000 people.

“VCEC can afford to expand only incrementally,” Patt continued. “We’ve supported VCEC and have helped them start expanding into our territory because they’re a co-op, and because they charge a fixed margin over their cost for the fuel they sell, which is a more honest and straightforward way of pricing than most fuel dealers use.”



WEC President Barry Bernstein conducts the Annual Meeting. Seated from left, are board members Carla Payne and Roger Fox, General Manager Avram Patt, and board member Bud Haas.

Annual Meeting

continued from page 1

of Plainfield were re-elected, with 741 votes and 745 votes respectively, and former state legislator Marion Milne of Washington was elected to the third position with 716 votes. There were 27 write-in votes.

Voters also approved an amendment to WEC’s bylaws by a vote of 733-54. The amendment clarifies issues pertaining to joint memberships, and improves the efficiency of processes by which the Board approves new-membership applications.

Co-op Country has changed since WEC was founded 64 years ago. In earlier years, there were literally thousands of farms on the Co-op’s lines, and people stayed put; there was little membership

turnover. These days the staff processes 50-100 membership transfers a month, and WECp also grows by 150 or more new residences and businesses each year.

Two sides to lawsuit

Other features of the May 20 meeting included reports from Co-op Treasurer Don Douglas of Orange, President Barry Bernstein of Calais, and General Manager Avram Patt. Bernstein and Patt led a discussion of WEC’s challenges and strategy related to power supply.

One of the more sensitive issues addressed was the lawsuit WEC filed last fall against Chelsea, Orange, Williamstown, Topsham and Tunbridge, appealing the Co-op’s property tax assessments in those towns. WEC’s total property taxes have more than doubled

“If we can resolve the lawsuit in a way that avoids going to court we would like to do it.”

– Avram Patt



It was a double-flower day for this young member of the Co-op family at Annual Meeting.



Above, John Quinney and Richie Lafond of Vermont Consumers Energy Cooperative, reveal their excellent taste in literature. Below, Co-op member Greg Gallagher of Calais.



Above, WEC member Ira Hatch of Williamstown netted the \$100 door prize. Below, a conference of general managers. From left, Bill Gallagher of VPPSA, Barbara Grimes of Burlington Electric Dept. and WEC's Avram Patt.



since 1998, due largely to a property-valuation formula for assessing utility infrastructure that was devised by the state Department of Taxes and is followed by many Vermont towns.

The mechanism for challenging the formula is to appeal town taxes in court. The suit targeted the five towns because WEC owns significant taxable property there, making those tax bills the Co-op's highest. (*Co-op Currents* featured a story on the lawsuit in its December 2002/January 2001 edition, which can be obtained from WEC's office or read on the web at www.washingtonelectric.coop.)

But there are two sides to the issue. At the Annual Meeting, Co-op member Carroll Beard of Orange stood up, and – apologizing for being “the skunk at the garden party” – presented the Board of Directors a petition urging WEC to drop the suit. The petition was signed by 120 validated Co-op members in Orange, Chelsea, Williamstown and Topsham.

Beard contended that with the Co-op's lawsuit, members in those towns were “essentially suing ourselves.” He pointed out that the legal costs incurred by the towns would be borne by the taxpayers. Patt acknowledged that concern.

“If we can resolve this in a way that avoids going to court we would like to do it,” he said. “We feel we have an obliga-

tion to Co-op members from all the 41 towns that we serve to appeal these tax increases, which could cause (electric) rate increases that everyone has to pay.”

Rates and power

Treasurer Douglas' presentation was short and to the point: The Co-op had ended 2002 \$129,000 in the black. These “operating margins” satisfied the requirements of WEC's federal lending agency, the Rural Utilities Service (RUS), for a financial cushion.

Douglas said that the surplus and continued careful management should help

The staff processes 50-100 membership transfers a month, and the Co-op also grows by 150 or more new residences and businesses each year.

WEC fend off rate increases a while longer. The Co-op's last rate increase was in 1999.

President Bernstein concurred that WEC's financial position was sound and no increases were expected in the near term. The challenge, he said, was to keep rates as low as possible while still serving a scattered, rural membership that includes few large electricity users such as factories. This must be done without sacrificing – in fact, while improving – power reliability.

“Power supply is our greatest cost,” said Bernstein, referring to the wholesale power WEC purchases for its membership, “and represents the best opportunity we have for trying to manage costs.”

“Our strategy is to go for long-term power-supply contracts,” said Patt. Many

utilities opt for maneuverability, jumping from supplier to supplier in a search for short-term arrangements at low costs. By contrast, WEC believes that stable, contracted prices provide supply and price security and avoid Enron-style rate shocks.

With at least 33 percent of its contracted power scheduled to terminate by 2015, WEC will turn increasingly to renewable energy. Bernstein pointed out that by replacing nuclear power from Vermont Yankee (5 cents per kilowatt-hour) with methane-generated power from a Connecticut landfill (3.6 cents per kilowatt-hour) in 2002, WEC had reduced its costs for a significant portion of its power portfolio.

New sources of renewable energy would be wind, landfill-methane facilities, and small-scale hydro power. WEC is eyeing an ownership position in local or regional generation projects.

“That way your money is going toward the facility, rather than the fuel, which is a more volatile cost,” Patt explained. “We can get the most benefit by owning a generation facility that is appropriately sized for our own use, not for selling power (to other companies).”

Milestones

As it does each year at the Annual Meeting, WEC presented service awards to employees who had reached mile-

stones in their Co-op careers. Ten-year awards were presented to System Maintenance Technician **George Mears** and Plant Accountant **Cathie Vandenburg**. **Mark Maloney**, a Class A Lineman recently appointed Maintenance Foreman, and Class A Lineman **Ed Schunk** who now monitors WEC's transmission and distribution system, were recognized for 15 years of service, while Class A Lineman **Larry Brassard** and Senior Accountant **Linda Nelson** won awards for serving WEC members for 20 years.

The longevity award went to line crew Foreman **Tim Pudvah**, who has been building, maintaining and improving WEC's power system for 30 years.

“These are the people who keep your Co-op running and work tremendously long hours during emergencies to serve you,” Patt told the audience. “They do a great job.”

In the same vein, Bernstein took a moment to thank **Cornelia Swayze** of Tunbridge, who was stepping down from the Board of Directors after seven years of service.

“In so much that she does, Cornelia shows a real spirit of ‘cooperativeness,’ which is what our little Co-op is all about,” he said. “We're going to miss her on the Board.”

A Life: Marian Button

Farmer Helped Bring Electricity To Vermont

By Bob Hookway
Valley News

CHELSEA – Brian Button can't quite recall the days before electricity came to the Orange County hills, but its arrival didn't predate his own by much. The 61-year-old Button does remember his family using horse-drawn equipment, with a very young Brian aboard the wagon, to cut hay before his dad bought his first tractor, a Ford, in 1948.

And he definitely remembers how much of the farm's workload fell to his mother, Marian Button, who died March 5, just shy of her 87th birthday.

Equipment aside, the big 20th-century changes in farmers' lives came with the federal Emergency Relief Act of 1935, which gave President Franklin D. Roosevelt the authority he needed to start a nationwide rural electrification program. The advent of readily available power in rural America ushered in mod-

ern methods of milking on many small dairy farms, and a new way to preserve milk: refrigeration. Brian Button said his mother played a local role in that effort.

In the mid-'30s, only an estimated 10 percent of U.S. farms were wired for power. For dairying families such as the Buttons – Arthur and Marian and their three boys – keeping milk cold in warm weather was a daunting task, Brian Button said in an interview at his Chelsea real estate office.

Getting electric service up an running, however, required a lot of local

groundwork. That, her son said, is where Marian and other rural farmers came in. Marian Button had as much to do with the drive to bring power to Chelsea's farms as anyone – going door to door and farm to farm, signing up neighbors to join one of the electric cooperatives that were being organized.

Growing up, Brian Button heard plenty of stories about the milk-cooling effort required before utility poles appeared in the hills.

"It was killing the farmers. Without refrigeration they had to use ice. Well, that was all right until July or so," said Button.



Marian Button

Marian Button would go out to the barn at 6:30 each morning to feed the calves. After she'd gone back to the house to make breakfast for everyone, she'd return to the barn to wash all the milking utensils. That was just the early part of her day. The push for power was the talk of the town, and she found the time to contact as many people as possible about hook-

ing onto the power line the Washington Electric Cooperative planned to run through Chelsea.

"The power stopped right here," Brian Button said, pointing out his office window to a hill of Route 110. The lines of Washington Electric Co-op and Central Vermont Public Service still meet there, he said.

Her son Clayton Button, 65, said that the energy his mother put into the electricity effort was typical of her approach to most things in life.

"She was very self-sufficient, always a positive attitude. She never complained about things," he said.

Arthur and Marian were married in West Brookfield in 1936, at the farm where she had grown up. The location was a strategic move by the couple to avoid the wedding-day hoopla that most likely would have occurred in Chelsea. The plan didn't work entirely, according to Marian's 90-year-old sister, Merta Wakefield of Randolph.

"The didn't want rice or old shoes and whatnot; they didn't want that. But my sister-in-law, Lucy Wakefield, who was good friends with Marian, decorated their car while the ceremony was going on. Well, when they came out, the car was decorated with crepe paper and there were old shoes on the bumper. She couldn't image who did that. Then she thought of Lucy. But Lucy was nowhere to be found

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by then," Wakefield said.

"They were good girls, though. They were the same age. They never really got into any mischief, but you had to keep an eye on them." Wakefield said. She said she couldn't remember much about her sister's efforts on behalf of the power co-op, other than she was aware she had worked on the membership drive. Wakefield said her sister was working as a farm bureau secretary when she met Arthur.

After her marriage, Marian's refusal to complain came in handy at least once, Brian said. His family milked Jerseys, and their 80-cow herd was among the nation's best, according to the American Jersey Association. (In 1984 their herd average was fourth, nationwide, for Jersey milk production and second for buttermilk in the state of Vermont for all breeds.)

One day Marian and her husband went to a cattle auction, and a cow that was nearly ready to give birth caught Arthur Button's eye.

"Well, he paid \$4,800 for this one, specific Jersey cow," Brian said. "To give you some idea what type of money that was at the time, when he bought his first brand new tractor, he only paid \$2,200. They were both real conservative, and my mother just thought that was a lot of money. But he wanted that cow. The next day, the cow was dead in the stall."


"Why, Arthur, what are you going to do?" Marian asked.

"Dig a hole and bury her," Arthur replied.

"That was the way he was," said Brian Button. "That was his philosophy in life. He always said there's no sense crying over spilled milk.

"She was strong on discipline," Brian said of his mother, and used to the rigors of farm life.

"When we were haying the back farm, she'd put up a lunch and she'd also drive the truck. There were always people staying with us on the farm; people from town, cousins and so forth," Brian Button said. One of those young girls at the time, Penni Gaylord, sent him a note when she heard of his mother's death:

"As you know, Marian meant a lot to me. I always loved visiting every summer because she made me feel so welcome and special. She's let me weigh eggs and go get the cows with you, Brian. I had fun bringing picnic lunches out to the hay fields for 'the boys' with her, and tagging along to the milk house. She showed me her love through trusting me, respecting me (even as a little kid), and being kind. My heart aches now and I miss her dearly." 

This story is reprinted with permission of the Valley News. Our thanks to former WEC Board member Rita Edwards for bringing it to our attention.

Expansion At Northern Power Provides Boost For Local Co-op Members

Big changes have been taking place for one of WEC's largest and most interesting member organizations (yes, even companies can be Co-op members) – Northern Power Systems, which is located in the Mad River Industrial Park in Waitsfield. Although the park is small by most standards, it nevertheless contains the largest concentration of commercial and industrial members in the Co-op's overwhelmingly residential service territory.

The changes at Northern Power (NPS) have in turn affected WEC residential members along the North Fayston Road. The power lines along a section of the road more than a mile long have been upgraded from single-phase to three-phase service, which is necessary to supply the industrial power requirements of NPS and other businesses in the park with power from the Co-op's Moretown substation.

You can tell the difference by the crossarms on the new (and taller) utility poles: the older, single-phase poles carry just one electrical wire and a neutral, and therefore don't need a crossarm. For months WEC has been erecting new poles beside the older ones and stringing new conductor (power line) along the route. In mid-June Foreman Bob Fair and his crew were finishing that line-reconstruction project and preparing to switch

everyone along the route from the old system to the new. (The old poles and wires will eventually be removed.)

Northern Power Systems is a leading international provider of alternative energy systems. The company designs, build and installs "ultra-reliable" power solutions for commercial, industrial, government and military customers, serving some of the most remote, isolated and climatically forbidding locations in the world. Since its founding in 1974, NPS has installed more than 800 systems in 45 countries, on all seven continents. Northern Power CEO Jito Coleman was Washington Electric's guest speaker at the Co-op's annual meeting in 2002.


Last summer NPS broke ground on a new 28,000-square-foot facility on a 7.2-acre plot of land adjacent to the company's existing building in the industrial park. The new building will foster expansion of Northern's headquarters and its research and development facilities. The

company will install on-site generation facilities, but these will be interconnected with the Co-op's electric distribution system.

But that's not all of Northern Power Systems' news. On May 22, 2003, the company announced that it had been acquired by Proton Energy Systems Inc. (PES), of Wallingford, Connecticut. PES designs and manufactures hydrogen-based fuel cell systems that function as power-generating and energy-storage devices.

A press release said, "Both companies believe that with the growing interest in the 'hydrogen economy' this transaction will accelerate widespread understanding and adoption of the essential link between renewable power and hydrogen as a fuel for energy sustainability."

Perhaps of more practical, immediate interest to the Mad River Valley community, said NPS spokesperson Amy Klinger, "We're going to keep Northern's employees right here in Vermont." NPS employs 100 people with sophisticated engineering, fulfillment and customer-support capabilities.

The \$4 million construction project is being funded with assistance from the Vermont Economic Development Association (VEDA) and help provided by the Central Vermont Economic Development Corp. (CVEDC). 



In connection with Northern Power Systems' expansion (left), WEC linemen Ray Hall (climbing) and Richard Halstrom (on ground) prepare to switch the power lines to new poles along the North Fayston road.



Board Establishes 'Community Fund' For Local Causes

Members Can Contribute Their Capital Credit Refunds

Washington Electric Cooperative is responsible first and foremost with providing its customers with electric power as affordably and reliably as possible.

Equally important, WEC is a cooperative, owned by its customers. But because the Co-op's earnings belong to those customers (members), it has been difficult for Washington Electric to perform an important traditional function of cooperatives: To donate to local community organizations and charities that assist people in need and improve community life.

"For the last several years the consensus among the members of the Board of Directors has been that an organization of the size and breadth of Washington Electric Cooperative should be giving more money to help non-profit community organizations in our service area," said Richard Rubin, a WEC Board member from Plainfield. "At the same time, many of us have been concerned that WEC's money is not ours to give away. Unlike private organizations and businesses that want to donate to worthy causes, every penny we gave would be our members' money – and members can make their own charitable contributions without our help."

This has presented a conundrum, especially because Washington Electric seeks to be faithful to the Seven Cooperative Principles, which were adopted in 1995 by the International Cooperative Alliance (ICA). The Seventh Principle, and supporting statement, is:

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

Last fall, with Rubin one of the staunchest advocates for increased community giving, the Board of Directors came up with a solution. It founded the WEC Community Fund, seeding the fund with a one-time \$10,000 Co-op contribution, but more importantly providing a way for Co-op members voluntarily to add to the fund and increase its capacity to improve life in our many regional communities.

Washington Electric will invite its members to donate their patronage refunds to the WEC Community Fund.

Capital credits are shares of the "margins" the Co-op earns in years when its revenues exceed expenses. In an investor-owned company they would be called profits, and would be allocated among the stockholders. In a co-op the margins are divided among the members,

depending on how much electricity each member bought in that particular year and how much of an economic margin there was. Instead of returning these capital credits in the form of checks, WEC has recently applied them to people's November electric bills.

Individual patronage refunds usually are not large – often on the order of \$15 or \$40. And the Board of Directors, with an eye to WEC's economic stability, cautiously caps the capital credit refund program at \$200,000.

But even a modest voluntary response to the Community Fund with money donated from members' capital credit refunds could make a difference.

"If 10 percent of our members chose to participate we'd have around \$20,000 to give to community programs," Rubin said. The Board is excited because we think this provides a way for making donations that our members will support, and it can help the Co-op play the kind of role in our communities that we believe it should play."

Getting started

What kind of organizations can benefit from WEC's Community Fund? How will donation decisions be made?

The Co-op has a formal policy for Donations and Support of Community Organizations, drafted in 2002. The new fund will adhere to that policy, which calls for the Co-op to assist organizations that are "financially viable," and "broadly supported in the communities they serve." Rubin added that no political or religious organizations would qualify for donations from the Community Fund.

"We've also established that the money must be spread evenly, fairly and representatively around the whole Co-op region," he said, "so that members in Orange and Caledonia counties will see their communities benefit just the same as members from places in Washington County."

Since the new fund was capitalized with a \$10,000 contribution from the Co-op some months ago, it has already accumulated a track record. (Like most businesses, Washington Electric regularly receives

inquiries from groups seeking donations, and did even before the Community Fund was established.) General Manager Avram Patt is at the center of the process, fielding requests and making recommendations each month to the Board's Members & Markets Committee. The committee makes the final decisions.



"We think this provides a way for making donations that our members will support, and it can help the Co-op play the kind of role in our communities that we believe it should play."

— Richard Rubin



'Community'—Co-op style

Annually, *Co-op Currents* will publish a complete list of the recipients of Community Fund money and the amount of those donations.

"So far we've made donations to Central Vermont Adult Basic Education, to the Orange Center Community Association, to Project Graduation (substance-free events) at four area high schools – U-32, Twinfield, Spaulding and Harwood – and to the Vermont History Expo in Tunbridge," said Patt. "We also contributed to the Barre Town EMS Explorers, which trains young people in emergency response. The Barre Town EMS serves many of the communities in our service territory."

"The largest donation we've made has been \$500."

The pump-priming \$10,000 donated by the Board will not affect rates. "First of all, it's a modest cost," said Patt, "and it won't be repeated. Also, our Board and the Public Service Board, which regulates us, would never allow that expense to go into rates. Once we're getting voluntary contributions there will be no financial impact on Washington Electric Co-op."

In coming weeks members in Chelsea, Plainfield and East Montpelier will receive a letter further explaining the WEC Community Fund, along with a form they can sign and return, authorizing Washington Electric to divert their patronage refund to the Community Fund. The response from those members will help the Co-op decide whether it's worth the expense of sending the letter to all WEC members.

If response to the letter is limited, WEC will simply advertise the fund through *Co-op Currents* and bill enclosures. For in all likelihood, the Community Fund is here to stay. How powerful it becomes, how much service it can provide in the many towns, villages and neighborhoods served by Washington Electric Cooperative, will depend on how many people decide to forgo their capital credit refunds to help out their neighbors and improve the quality of life in rural central Vermont.

