

WEC CO-OP CURRENTS

Vol. 65, No. 2

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

April 2004

Co-op Get-Togethers Held In Chelsea, Plainfield

If you're a customer of a large, investor-owned electric utility you pay your money, the company delivers your power, and that's it. End of story.

Members of a rural electric cooperative are, or can be, involved in the decisions that go into that transaction. Where does the electric power come from? Is it a long-term or a short-term source of power? Is it expensive? Is it renewable? Does it pollute? And do we, as a cooperative, care about that?

Washington Electric Cooperative recently held two community dinner meetings – in Chelsea on Tuesday, March 23, and the following evening at Twinfield High School in Plainfield. These small, informal events were a continuation of an effort begun last fall to, in a sense, carry the Co-op to its many communities, rather than relying solely on the May annual membership meeting for face-to-face contact and discussions. The November 2003 events were in Corinth and Moretown.

"We try to keep our members interested and informed about what we're doing on their behalf," said Avram Patt, WEC General Manager. "That's even

more important now because we are undertaking a major project to develop our own electric-generation station using methane gas at the Casella landfill in Coventry."

That project, which eventually may provide more than a third of WEC's power needs, will require approval by a vote of the Co-op's membership. Patt and Board President Barry Bernstein told the Chelsea and Twinfield gatherings that they hope the project will be ready for a membership vote (it first needs to win a Certificate of Public Good from the Vermont Public Service Board) at this year's annual meeting. If that timetable cannot be met, a special vote will be conducted later in the year.

Public discussion of power-supply alternatives is particularly important now because Vermont is nearing the end of two contracts – with Hydro Quebec and the Vermont Yankee nuclear plant – that provide two-thirds of the state's energy supply. (Washington Electric ended its Vermont Yankee contract in early 2002 and replaced that power largely through a three-year contract with a landfill-

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It's THAT time of year again, on dirt roads in East Montpelier (pictured here) and all over Co-op country.

Revised Co-op Policy Addresses Home Energy Requires Registration of Generators

Washington Electric Co-op is as proactive as any electric utility in Vermont in terms of encouraging its members to find ways to produce their own electricity. In *Co-op Currents*, on its website (www.washingtonelectric.co-op), and in discussions with individual Co-op members, WEC recommends standby generators for back-up and emergency power, UPS (uninterruptible power supply) systems to safeguard electronic equipment and keep it operating during outages (UPS systems are now made for whole-house applications, too), and net-metering for members inter-

ested in home-generation.

What WEC asks – actually, requires – in return is that people who own and use stand-alone generators and PTO-driven generators contact the Co-op and register the generators for the our data base. Please do so even if you believe you've done it previously. We need to be certain we have an up-to-date record of all such systems, and to double-check that they possess modern and reliable safety switches.

The Board of Directors recently updated its 1983 policy, which previously

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Inside

Proposal would put WEC's lien authority into Co-op bylaws. You'll be asked to vote. Page 6.

Sherry Beede of Washington now sees Co-op staff in a different light. Read her letter on page 8.

'Home Comfort' program described on page 6; **a future for rural high-speed internet?** Page 3.

Four members toss hats into the ring in election for Board members. See page 4.



Washington Electric Cooperative
East Montpelier, VT 05651

Members Write

Radio Outage Reports

Editor, Co-op Currents:

I just read the article contained in the January-February 2004 *Co-op Currents* entitled, "No Electricity, And 30 Below," about the January 9, 2004 power outage experienced by those of us who are connected to the grid through the South Walden substation, and other members.

I was completely unaware that Washington Electric provides several area radio stations — WDEV, WSNO/WORK, WSKI and WNCS — with information during widespread power outages. I suspect many other Co-op members remain unaware of our Co-op's method of informing the membership when widespread outages occur. Perhaps additional reminders should be placed on or in the monthly bill mailings?

I rarely listen to any of radio stations listed. Instead I am frequent listener to Vermont Public Radio (VPR) on a frequency of 107.9 FM, the Mount Mansfield transmitter, and less frequently to VPR on its Burke

Mountain transmitter (88.5 FM). Would the Co-op consider asking Vermont Public Radio to issue identical public service announcements when Washington Electric is experiencing a widespread power outage?

Also, I do not know the frequencies of WDEV, WSNO/WORK, WSKI and WNCS, as I do know the frequencies for Vermont Public Radio. If the Co-op elects to remind the membership that these radio stations will have information from the Co-op concerning widespread outages, please include their operating frequencies.

Additionally, I just rather thoroughly checked our website (<http://www.washingtonelectric.coop>) and failed to find any mention that the Co-op will use these radio stations for informing the membership of widespread power outages. Perhaps that, too, is something that should change.

Best regards,
Richard Scheiber
Cabot

Manager's reply:

During "major" outages we fax press bulletins every few hours to radio and other media. On that night in January our Operations Director started calling the

radio stations from home because of the urgency.

VPR is included on our media list, along with TV stations and the newspapers. However, we can't control how often a station chooses to relay the news once we fax it. Because they're a statewide station, they're less likely to give regular updates and more likely to just wait until they do the local news. WDEV will often call us during the course of major outages to ask how we're doing.

Your suggestion about putting information about the radio stations on our website is a good one and we'll do it.

That particular outage got us to realize that we need to remind people about the radio stations. I guess we assumed people knew. We'll do periodic reminders in the newsletter and use our billing system as well.

Thanks.
Avram Patt, General Manager

Editor's note:

Here are those frequencies: WDEV (550 AM, 96.1 FM), WSNO (1450 AM), WORK (107.1 FM), WSKI (140 AM) and WNCS (104.7 FM).

Right-Of-Way Reclearing Projects Scheduled

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

For the Period Through Spring/Summer 2004

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.

Calais	Dugar Brook Road and cross country line to Bayne Comolli Road.
Orange	Two Phase Line along Route 302 from Tucker Road to Orange Heights.
Calais	Number 10 Pond and Foster Hill Road, line to Foster Homestead.
Corinth	Camp Munn Road.
Duxbury	Birch Road Line.
Roxbury	Winch Hill Extension at David Copeland's (RO 101-F) to Selby Jones, Bull Run (RO 76-A-1).
Chelsea	Washington Turnpike and Pepper Roads.
Peacham	Green Bay Loop near intersection with Great Road.
Cabot	Short tap to Van Hees (CA 68-K-2).
Newbury	Bowen Road and vicinity.
Duxbury	Dowsville Road.
Moretown/Waitsfield	Lines from Moretown substation to Moretown Common into Waitsfield including Hathaway Road, South Hill Road and Fred Howes Road.
Middlesex	Shady Rill Road and line behind Town garage and Rumney School.

Co-op Currents

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Board of Directors			
President	BARRY BERNSTEIN	1237 Bliss Road, Marshfield, Vt. 05658	456-8843
		Bbearvt@aol.com	
Vice President	ROGER FOX	2067 Bayley-Hazen Rd., East Hardwick, Vt. 05836-9873	563-2321
		rfox@vtlink.net	
Treasurer	DONALD DOUGLAS	21 Douglas Rd., West Orange, Vt. 05086	439-5364
		Runasimi2@aol.com	
	WENDELL CILLEY	5 Warsley Road, West Topsham, Vt. 05086	439-6138
		cilley@tops-tele.com	
	CHARLES HAAS	4733 South Road, Bradford, Vt. 05033	439-5397
		bud@tops-tele.com	
	MONIQUE HAYDEN	407 Weir Road; Williamstown, Vt. 05679	433-6170
		mkrvt@aol.com	
	MARION MILNE	1705 E. Orange Rd., W. Topsham, Vt. 05086	439-5404
		milne@together.net	
	CARLA R. PAYNE	1554 US Rt. 2; West Danville, Vt. 05873	563-2390
		crpayne@pivot.net	
	RICHARD RUBIN	3496 East Hill Rd., Plainfield, Vt. 05667	454-8542
		rrubin@sover.net	

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

Troubling Trends for Wholesale Power

But Rural High-Speed Access Could Be Looking Up

By Avram Patt

There are two subjects I've been meaning to report on to Co-op members. One has to do with something obviously fundamental to providing you with electricity: our wholesale power costs. The other has to do with something we have been keeping our eye on for some time: high speed internet access in the boonies.

What's Happening With Power Costs?

About 50 percent of your electric bill covers the wholesale cost of the electricity we procure on your behalf. Except for our own Wrightsville hydro station, almost all of our power supply is presently arranged through long- and short-term wholesale purchases. In 2003, about 28 percent came to us through spot market purchases and other short-term arrangements. Our proposed Coventry landfill methane project and other strategies we are pursuing are designed to greatly reduce our exposure to short-term market purchases. The more I see what is happening "out there," the clearer it becomes that our strategy is a prudent one.

A number of years ago, some in the energy and finance businesses, as well as many regulators and politicians, became convinced that deregulation was going to cause sweeping changes in how power was generated, bought and sold, and that this would inevitably result in lower wholesale prices. It was an article of faith for many, almost a religion.

Well, sweeping changes have occurred. The industry has certainly been restructured at the wholesale level, and in some places at the retail level too.

But short-term and spot energy prices have risen and don't appear to be dropping. The New England wholesale market is dependant on natural gas prices, and natural gas prices are high. Among the reasons are increased demand, competition for gas supply, which is needed for heating, manufacturing and other uses in addition to generating electricity, and the world situation and its impact on fuel supply.

Some say gas prices will drop again. I have doubts that they will return to where they were. Whatever happens to wholesale prices, they will continue to fluctuate and be unpredictable at best.



Avram Patt

In addition, the Federal Energy Regulatory Commission (FERC) recently issued an order establishing a "Regional Transmission Organization" (RTO) for the New England states, to essentially reorganize what is already a pooled and coordinated high-voltage transmission system in this part of the country.

As a member of the Regional Power Supply Committee of the Northeast Public Power Association, I have been following this issue closely and must report that, while an RTO is certainly a sensible concept, the one that was proposed and has been approved by the FERC is not good for consumers. First, it will allow for-profit transmission companies unjustifiably high rates of return for making some needed improvements to the grid and joining the RTO. The return they get now is a comfortable and secure one, but because of the FERC order all electric ratepayers in New England will see the effect of these higher profit margins.

Second, this RTO is governed by a self-appointed board with no accountability to the consumers, to the public, or to our elected officials. In the long run, that's the more frightening part of this.

WEC has joined with many municipal and co-op utilities in New England to challenge these developments. There is a lot of money at stake here for some. I have in my reports from time to time used the word "greed" in describing what's behind some trends in this business. A few members have suggested that my rhetoric was too strong. It's not.

So, wholesale costs are high, and until our proposed Coventry project is online and stabilizes costs for us, we are exposed to market prices more than we want to be. We have not filed for a rate increase since late 1999 and have been doing everything we can to squeeze through this power supply transition period without one. Although I remain hopeful that we can avoid increasing

rates, the term "squeeze" is an appropriate one right now.

Will High Speed Internet Ever Get "Out Here?"

As most WEC members know, over the past few years, we have diversified in small ways by offering members a few new services besides electricity. Among these products are two telecommunications services: a really great no-frills, low-cost long distance service, and dial-up Internet access from Vermont Link.

But we have had a steady stream of inquiries and requests for high speed or broadband internet access. Members, including many home-based and small businesses, would love to have the quality of internet access that people in cities and more populated areas of Vermont have.

For the same reason that for-profit electric companies would not wire the back roads of Vermont years ago, cable companies have had to be pushed to extend their services. Progress is slow. Washington Electric Co-op has frankly not given serious consideration to building our own fiber optic network, as some other electric utilities have considered. The cost is very high and so is the risk, in a field of fierce competition and rapidly changing technology.

Rural broadband has been in the news of late. Gov. Douglas would like to see high speed telecommunication available to even the most rural Vermonters. In our own area, residents of some communities are exploring very local "wi-fi" (wireless) internet networks, where signals are relayed through a neighborhood by strategically placed transmitters and receivers.

At Washington Electric Co-op, we have been watching, and waiting. While there is considerable interest among our members, we cannot embark on ventures that either have a significant risk or divert us from our core business of being an

electric utility. But we have been tracking the development of two technologies that might bring high-speed access to even the most remote homes in our territory.

The first is satellite access. Although this technology has been around for some time, it has not offered the same quality as a "land line" connection. But many electric co-ops around the country are beginning to offer a new product through the National Telecommunications Cooperative (WEC is a member), that may be a significant improvement over current satellite technology. This product can be installed at the homes of members interested in paying for it. We want to see what others' experience is, but we are keeping ourselves informed.

But the technology I have been really watching with increasing interest is called "BPL." That stands for "broadband over power lines." Yes, that's right: over power lines. And WEC already has over 1,200 miles of those.

When I became manager in 1997, I occasionally saw articles about what sounded like a far-fetched idea that was supposedly being developed in England. I mentally filed that in the "I'll think about this if it's ever real" department.

Then I started reading about one or two utilities on this side of the Atlantic who were trying it. Well, at least 15 electric companies, including rural co-ops, are testing BPL right now. There has been a spate of industry reports published recently.

I am not quite ready to say that BPL really works yet, but what seemed like a very farfetched possibility is actually looking possible. Sixty-five years ago, the founders of Washington Electric Co-op realized that if electricity was ever to be brought out of the cities and off the main highways they were going to have to do it themselves. They of course could not have imagined the internet and the worldwide web. Nor could they have imagined that those rural electric lines they struggled to build might someday also carry information and messages.

That is happening today for a growing number of electric customers, including the members of a co-op in a very rural part of Virginia. We have a lot on our plate at the WEC right now, but BPL is one more thing – a potentially very exciting one – that we are tracking on behalf of our members.



If you are interested in learning more about BPL, call or email Bill Powell at the Co-op, billp@washingtonelectric.coop. Bill can direct you to information sources, and he is also keeping track of members interested in this subject for future reference.

Four Candidates For WEC's Board of Directors

Four member/owners of Washington Electric Cooperative have come forward as candidates for the Co-op's Board of Directors in 2004. The three who are elected will serve for three years, their terms ending in 2007.

Every year three seats on WEC's nine-member Board expire, providing the membership an opportunity to elect one-third of the Board that makes leadership decisions for the member-owned cooperative, and oversees management and staff. This year the Directors whose terms will expire at the time of the Annual Membership Meeting (they remain Board members until that event) are **Barry Bernstein** of East Calais, **Monique Hayden** of Williamstown and **Carla R.**

Payne of Cabot. Bernstein, who is president of the Board of Directors, is offering his services for another term, but Hayden and Payne have decided not to run again. Both have provided several years of service to their fellow Co-op members, Hayden having first won election to the Board in 1998 and re-election in 2001; Payne was appointed to fill a vacancy in 1996, and has won re-election twice.

While losing the service of two valuable Board members, WEC is fortunate to have three new candidates in addition to Bernstein. Appearing on the ballot for the first time this year are **Kimberly Cheney** of Middlesex, **Roy Folsom** of Cabot and **Timothy Guiles** of

Williamstown.

The election of Directors is performed by ballots sent to each Washington Electric Cooperative member by mail in the weeks prior to WEC's Annual Meeting. **When your ballot arrives, check the accompanying materials to determine when the deadline is for posting your votes by mail.** Members who attend the Annual Meeting can vote there if they wish, rather than by mail. The meeting, which includes dinner, will be held at the Montpelier Elks Club on Tuesday evening, May 25. (A schedule of events for the Annual Meeting, and a coupon for the dinner, will be printed in the next issue of *Co-op Currents*.)

Voters can write in the names of other

Co-op members who are not official candidates on their ballot, if they choose. Candidates run at-large because Washington Electric is not divided into districts. The three candidates with the most votes are the winners.

Printed below are brief biographical sketches submitted by the candidates. Voters will have a chance to hear in more depth from the four official candidates before casting their ballots. The upcoming "Annual Meeting" issue of *Co-op Currents* will feature their responses to a series of questions about issues related to Board service. It will provide readers a better sense of the interests, viewpoints and experience of the four candidates.

Report of the 2004 Committee On Candidates

The 2004 Committee on Candidates convened a teleconference on Tuesday, March 30, at 7:00 p.m. to review the petitions and qualifications of those members who have submitted their names as candidates for the Board of Directors. This year, four (4) members of the Washington Electric Cooperative, Inc. submitted their names as candidates for the three (3) Board positions to be filled. The Committee on Candidates hereby affirms:

- that each candidate submitted a valid petition in accordance with Article III, Section 3A of the Bylaws;
- that each has signed a statement of affirmation indicating that they:
 1. have been a member of the Co-op in good standing for at least six months;
 2. are residents of Vermont;
 3. are not employees of the Cooperative;
 4. do not have a conflict of interest as defined in Article III, Section 2 of the Bylaws; and
 5. have received and understand the responsibilities and time commitments required of a director.

Therefore, the Committee determines all of the candidates to be qualified for the position of director in accordance with the Cooperative's Bylaws, and hereby presents the following official listing of candidates for the Washington Electric

Cooperative 2004 election of Directors:

*Barry Bernstein
Kimberly Cheney
Roy Folsom
Timothy Guiles*

2004 Committee on Candidates:

*John Bellefeuille
Carl C. Demrow
Stuart Grandoff
Shirley Lord
Cort Richardson*
Donna Simson-Sprake
Yvette Tomlinson
Daniel Wing**

**did not participate in the teleconference*

Barry Bernstein

Residence: 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.



Profession: I am a partner and president of Better World Energy Ltd., the Northeast representative for Messersmith Mfg. Inc., a leading manufacturer of automated wood chip heating plants for schools, and commercial/industrial use. I have also been involved in consulting and management for profit and nonprofit organizations for 40 years.

Community Service/WEC: 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, Montpelier, VT, and the Board of ILR Inc., Northampton, MA, 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, Hardwick, VT. I also was a cofounder of the Vermont Center For Independent Living, Montpelier, and served as its executive director (1978-1982, 1992-1993).

Kimberley B. Cheney

Residence: I live on South Bear Swamp Road in Middlesex, where I have been for three years after moving from Montpelier where I resided for the prior 32 years.

Profession: Attorney. I graduated from Yale Law School in 1964, and since 1975 I have been in the private prac-

tice of law, working mainly to help individual rather than business clients.

Community Service/WEC: I serve on the boards of several non-profit institutions.



Roy Folsom

Residence: I am the proprietor of Crooked Brooks Farm on U.S. Route 2 in Cabot, where I have resided since 1985.

Profession: Dairy farmer — although my philosophy has always been that I'm a businessman first, a farmer second. Our farm is run as any business, with an aim for being profitable.

Community Service/WEC: Served on the Town of Cabot Planning

Commission, 1991-1996, and as its chairman in 1995 and 1996. From 1992 to the present, I have been a member of the Cabot Zoning Board of Adjustment.,

and became chairman of that board in 2000. Also involved in 4-H, the Caledonia County Fair, the Champlain Valley Fair, and have served in leadership positions for several agricultural organizations.

Timothy Guiles

Residence: I live off Baptist Street in Williamstown. Though I have lived here for 12 years I have been a Co-op member for only the last five years. Prior to that I made most of the electricity I needed with solar panels.



Guiles

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Profession: After receiving two engineering degrees from Dartmouth College in 1981, I worked as a R&D software engineer for eight years, then entered the environmental engineering Ph.D. program at Johns Hopkins University to study sustainability

issues. I currently make my living as a music teacher and piano accompanist. I play for Barre Town Elementary and



Spaulding High School, many regional festivals, and for singing groups like the Randolph Singers, the Mad River Chorale and the Vermont Symphony Chorus.

Community Service/WEC: Since I like to be working outside in all the various Vermont seasons, I spend one morning each week during the growing

season working at a CSA (community supported agriculture) organic farm in South Royalton. At different times in my life I have been active in public libraries with literacy and early childhood development issues.



Community Dinners

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methane source in Connecticut.)

Community gatherings also enable the Co-op's leadership and employees to hear, directly from local WEC members, their questions, concerns, complaints, and even their compliments. And they are good opportunities for socializing and raising a little money, through meal tickets, for local organizations.

In Chelsea, where the event was held at the United Church, a wonderful dinner for 48 was prepared and served by Sadie and Ernest Kennedy, Ginny and Dick Campbell, Lois Flint, and Lone and Jim Battles. At Twinfield the dinner tickets contributed to a trip to Costa Rica for a group of students, who provided spaghetti and dessert for the approximately 35 people who attended.

In both towns folks seemed interested in the Co-op's plans, had good questions to ask, and largely seemed supportive of WEC's efforts to supply reliable power in rural, hard-to-serve areas. A member in Chelsea spoke humorously about the comfort of rolling over in bed on a stormy night, knowing the linemen were out in the brutal weather restoring his power. And Sherry Beede from Washington read a letter she had composed praising operations team members for their particular attention to her family's needs as they care for a child with cancer. (See page 8).

WEC's methane project

Following dinner, General Manager Patt got the discussion going with a presentation about WEC's sources of wholesale power.

- The sources (as of 2003) include:
- NYPA (New York Power Authority), 13 percent ("Our cheapest power," said Patt, "but we're never sure about its long-range availability");
 - Hydro Quebec, 20 percent (contract expires in 2015, and the company has indicated it may not be interested in further long-term supply contracts);
 - McNeil woodchip facility, 6 percent; owned by the Burlington Electric Department;
 - The Vermont Independent Power Producers, 5.2 percent (chiefly small-scale hydro; contract required by the state)
 - WEC's Wrightsville Dam generating station, 3.9 percent;
 - The New Milford, Connecticut, landfill-methane facility, 24 percent (contract

- expires in January 2005)
- "Other," 28 percent (the daily spot market for power; pricing is volatile, but all utilities resort to the market, as demand from consumers fluctuates moment-by-moment).

With a significant percentage of future power sources uncertain, Patt explained, WEC's Board of Directors, working with a respected regional energy consultant, established an energy-supply strategy. The Co-op would look for long-term contracts with stable and affordable prices, would favor renewable energy, from sources close to home, and would take an ownership position in appropriate projects for which the Co-op can obtain federal loans at favorable interest rates to control costs.

Measured against these criteria, the Board concluded that the Coventry project fit the bill.

"We're a small co-op, and this isn't the kind of thing we do every day," said Patt. "The Board was very concerned about financing and risk, but they checked it out thoroughly and negotiated intensively with Casella to conclude a mutually advantageous contract."

The power will cost less than 5 cents per kilowatt-hour – a good price by today's wholesale standards, which looks even better over the 33-year term of the

Folks seemed interested in the Co-op's plans, had good questions to ask, and largely were supportive of WEC's efforts to supply power in rural, hard-to-serve areas.

contract. Construction and development, financed through the Rural Utilities Service (RUS), will cost \$6.345 million. Costs are mostly up-front (settlement with Casella, construction of the generating station and 7.5 miles of transmission lines), the fuel supply (methane produced by organic decomposition in the landfill) is stable, predictably priced, pegged to inflation, and not subject to international politics or market manipulation.

"Casella is required to flare the methane, burning it off, because methane is one of the worst greenhouse gases," Patt explained. "All we're doing, basically, is taking that pipe and sticking it into our building to run our turbines."

Members at both meetings raised several questions.

Is the landfill appropriately sized for WEC's needs?

"Coventry is actually not a large landfill by national standards," said Patt. "We think it's about as small as it can get and still be commercially viable for methane generation." The Co-op will consume all the power generated at the facility, and not try to wholesale it to other utilities.

What portion of the costs is for the electric lines that will carry the power to the statewide transmission system?

"About 25 percent of the project budget," Bernstein



answered. WEC has been meeting with local officials and property owners to map out an agreeable route for the Co-op's poles and wires.

Is there community acceptance of the project in Coventry?

"Casella runs a good operation and the community is happy with them," said Patt, which buoys hopes that Casella and the Co-op will receive all required permits as well as community support.

Could they generate electricity at the Moretown and East Montpelier landfills?

"Those probably aren't large enough," Patt replied. "Plus, East Montpelier has now closed and Moretown has limited additional capacity."

Words on wind

The Co-op took advantage of the Chelsea and Twinfield meetings to take the pulse of WEC's membership regarding wind electric generation. WEC received a \$1 million federal grant in 2001 to put toward an in-state wind-turbine project, but has not yet made progress on that front.

People expressed interest and curiosity about wind generation. Some wondered whether wind turbines were noisy, and others speculated what they might look like on Vermont's mountain ridges – which led a speaker in Chelsea to conclude, "Somebody ought to do it so everyone can find out (the answers)." Another speaker said, "I'm proud to be a member of a co-op that's looking at wind."

No one at either meeting expressed opposition to wind power.

Toward the end of the evening in Chelsea WEC President Bernstein summarized the need for people's attention to energy issues.

"In a little over 10 years the state is going to lose 65-70 percent of its power," Bernstein said. "Vermonters have to be thinking and talking about our energy future, because this issue isn't going to go away. There are huge decisions to make. We feel we're doing our part, but we're just one small co-op. The state really needs to step up to the plate."



WEC's community meetings in Chelsea and Plainfield were well-attended, though some people (below) paid a little more attention than others (above).



WEC's 'Home Comfort' Program — Ideal For Spring

Most of us are intimately acquainted with our homes. We're well aware of the ice dams on the roof, the drafts sneaking in through windows and doors; we're pretty sure the furnace is coming on more often than it should, and there's a nagging suspicion that there's not enough insulation in the attic or walls.

As winter comes to an end, it's tempting to forget about those problems for a while, and the high seasonal energy bills related to them. Maybe we'll do something about them next fall. Washington Electric Co-op has a better idea.

Our Home Comfort Services helps members get to the bottom of energy-loss mysteries.

Early spring is a great time to tackle those energy problems and put you in a position to enjoy lower energy costs next winter and for as long as you own your home. The Co-op's Home Comfort Services program can help get you started and see your energy-improvement project through to its conclusion.

This is true even if the project is not directly related to electric usage — and for most Vermonters, heating and hot water exceed what they pay for electricity.

"Many of our members know that the Co-op is a leading provider of energy-efficiency services," says WEC Products and Services Director Bill Powell. "We believe strongly in *energy* conservation — not just electricity conservation — because it's a practical benefit to our members. It helps them save money and live in healthier, more comfortable homes. Conservation is also important for the environment."

Home Comfort is not a new program. But WEC is pushing the services now because this is an ideal time to address your home energy problems, while they are fresh in your mind. Also, contractors are lining up their work at this time of year; in the summer and fall their schedules are more likely to be full.

What WEC provides is home-doctoring expertise. We don't have a building contractor on staff, and do not provide retrofit services. We *do* help Co-op members get to the bottom of energy-loss mysteries.

Our Home Comfort Services are provided through contract by the Vermont Energy Investment Corp. (VEIC). Its energy specialists, some of whom are Co-op members, analyze building

systems and evaluate heating and hot-water costs. They can then make recommendations for improving your home's performance and lowering your operating costs.

Fees are modest: \$75 for the basic home analysis and recommendations; additional charges range from \$25 to \$75 for services that require specialized equipment, like the blower-door test and carbon monoxide test. As a Co-op member, you can pay your Home

Comfort service fees in installments in your electric bill, if you wish.

Washington Electric Co-op members also have access to financial

programs of the Vermont State Employees Credit Union (VSECU), though a cooperative arrangement between the two member-owned organizations. That can help you obtain a VSECU Energy Improvement Loan. Qualified borrowers can borrow up to \$10,000 for energy-efficiency improvements at fixed, low interest rates. When new systems or equipment are needed, such as a furnace or water heater, the VSECU loan program encourages people to buy Energy Star-rated equipment, which provides superior performance and significantly lowers operating costs.

Energy Star now includes a comprehensive home energy rating program, too (no longer just equipment). Mostly, we think of that as a new construction program for people designing and building energy-efficient homes. However, Energy Star can be applied to retrofit efforts for existing homes, with financial and operational incentives. It's an ambitious program, but it might be worth looking into. Bill Powell at the Co-op can provide further information.

Heating problems and other ills

"With our Home Comfort Services program we're looking at the kinds of problems that frequently occur in Vermont homes, especially as they get older," says Powell. "Often, a place to start is the heating system, regardless whether it's oil-fired, gas, wood, or whatever. Over time, these systems wear out and become more costly to run. Our program helps members identify their repair or replacement options, and decide how to pay for them.

"And since the Co-op isn't selling a particular type of equipment or any one approach, the service we provide is unbiased and fuel-neutral."

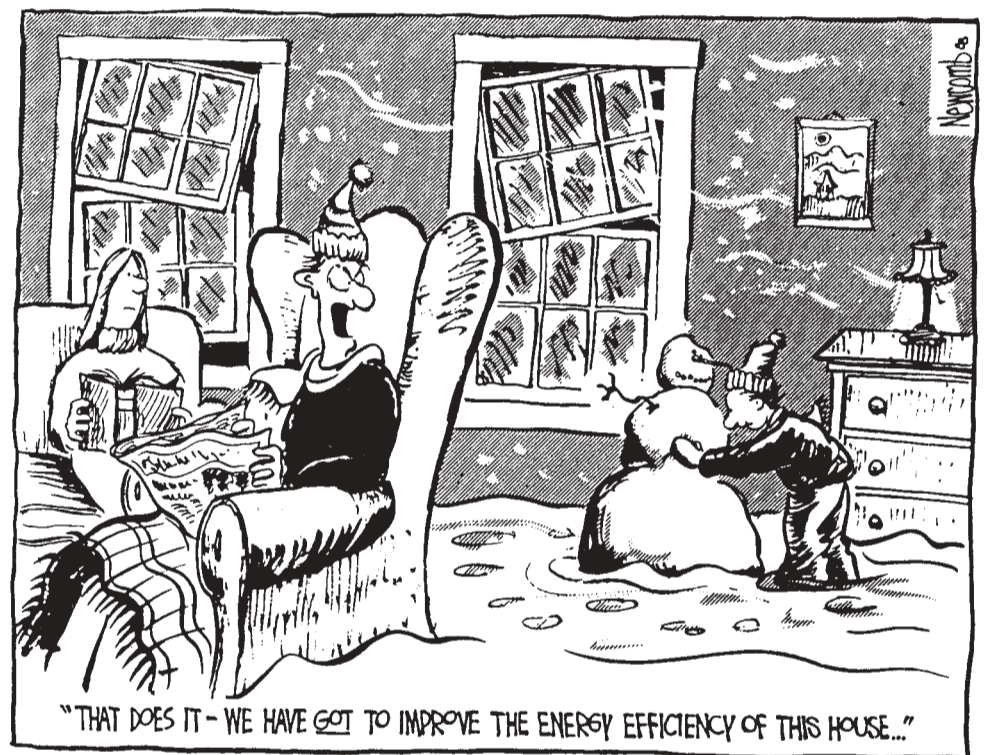
Vermonters are characteristically do-it-yourselfers, and may have their own ideas for addressing drafty rooms, mold and mildew, icicles on the roof, drippy ceilings and moisture on the inside of their windows. For those folks, our VEIC

Home Comfort contractors can provide a useful "second opinion."

"We hope more people will take us up on this service," says Powell. "We can all do better with our homes, and this is a good step in that direction. It can add value to members' homes, and result in more comfortable and healthier living."

Homeowners everywhere complain about taxes, mortgage payments, and how much it costs to own and operate a home. WEC can't do a thing about mortgages and taxes. As for bringing down the costs of heating and hot-water systems, that's another story — and one out of three is not bad.

Give Bill Powell a call at the Co-op (223-5245; you can also call 1-800-639-6069, ext. 1042). Do it while it's fresh on your mind — not next fall.



Bylaw Amendment Addresses 'Bad Debt' From Former Members

Lien Provision Already In Use

With this year's election ballot, which members will receive with the May 2004 issue of *Co-op Currents*, Washington Electric Cooperative's Board of Directors will propose a bylaw amendment addressing the problem of lost revenue which occurs when people leave the Co-op's lines without fully paying their electric bills.

WEC has a long-standing procedure for addressing this problem. A provision in the Membership Agreement that all Co-op members sign when they become

customers authorizes Washington Electric Cooperative to place a lien on the real property of people who have ceased purchasing power from WEC but still owe the Co-op money. Such liens apply only to the property to which WEC electric service was rendered.

That procedure would remain in place. The Board simply proposes to put the same provision into Article I, Section 3, of Washington Electric's bylaws. (It would also remain in the Membership

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Bylaw Amendment

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Agreement, where people are more likely to read it and be aware that the Co-op can legally file a lien under these conditions).

"This provision targets a very small population," said Co-op Director Roger Fox of Walden, "but it provides the Co-op with the capacity to minimize the negative financial consequences of those people's actions." Fox serves as chair of the Board of Directors' Members & Markets Committee, which oversees bylaw provisions relating to Co-op membership.

"A lien is a tool that Vermont's co-op statutes permit us to apply in specific situations. It's an incentive that encourages people to settle their accounts with us, rather than ignoring their electric bills when they attempt to sell their property and move on. The important thing to remember is that the lien provision benefits the rest of our membership, who otherwise have to

absorb the costs run up by those delinquent members."

It also helps protect the Co-op's rights in the event of a former member's bankruptcy, and in the settlement of obligations stemming, for example, from divorces.

Washington Electric is a non-profit, customer-owned electric utility. Revenues that exceed the Co-op's operating costs are returned to the members (customers) through capital credit distributions. Costs that are uncollected reduce such margins.

(When there is not enough revenue from members' electric payments to pay for the company's operations, a rate hike might be required. Delinquent accounts would play just a minor role in such a situation – and Washington Electric has not needed a rate hike since 1999. However, this indicates the importance to members of maintaining the financial balance of expenditures and revenues for their Co-op.)

Losses

"At any given time we typically have a number of people owing us a few hundred dollars or more," said WEC General Manager Avram Patt. "The lien provision is not for that common situation. Our member services representatives work very closely with people who have fallen behind on their electric bills, helping them make gradual progress until they're caught up.

"The lien item applies only to members who leave our system owing us money. Since most properties are sold before WEC is notified of the sale, the number of liens actually filed is minimal. In some years there are none; in others we've had as many as five."

Inevitably, said WEC Director Fox, there will be such cases.

"It's an unfortunate fact that on occasion you'll have people who are planning to move and who just disregard their electric bills and other obligations for a period of time beforehand. The rest of

(WEC's) members have to cover the debts they leave behind. Some people think of our Co-op as a 'them,' rather than an 'us.'"

On average the Co-op writes off \$10,000 to \$15,000 of bad debt each year – "and it would be more," said Patt, "if we didn't have this tool." A lien ensures that the debt to Washington Electric will be paid when the property is sold, if not before.

"The bylaw amendment proposed this year does not represent a change in our practices, or in the number of liens we might need to file," said Patt. "We have concluded that it would be advisable for the provision to be specifically spelled out in our bylaws, so we're asking our members to make that change by voting in favor of the amendment."

Co-op Currents will print Article 1, Section 3 of the bylaws in its entirety, with the additional language regarding liens, in the May "Annual Meeting" issue.



WEC CO-OP STORE

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protects all household appliances from storm or other electrical surges.

Installed by Co-op or your contractor. Fully warranted to cover appliances from damage.

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Product	List price	Member discount price
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(If ordered before May 2004, no charge shipping included!)

If you own a single item such as a TV, a VCR, a computer connected to the internet, a fax or phone answering machine, audio equipment, or a satellite or pay TV service, you need "protection". Don't wait until after the damage occurs, and you have to make up the replacement cost out of pocket. Full protection, and an iron-clad warranty for all connected equipment.

Your equipment is exposed to power surges until you connect your equipment to one of the Panamax heavy-duty Max2 family of products. Be safe, not sorry!

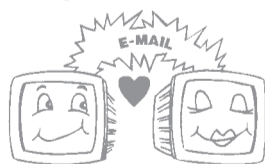


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www.washingtonelectric.coop/pages/prod.htm

Home Energy

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addressed only generators, to require that UPS and net-metering systems comply with code.

The concern is that all three kinds of equipment have something in common: they potentially pose a risk for WEC's line workers.

During power outages line workers typically disconnect and isolate damaged sections of line from the utility's electric system prior to making repairs. If electricity generated by the consumer should come from the opposite direction, they could be seriously injured.

Remedy

Technology provides a simple solution. Home generating equipment of all three types noted above is, or should be, installed with switches that disconnect the home from the utility's electric system.

UPS systems that comply with code are equipped with switches that sense a power outage and automatically break their connection to the utility. While many **generators** must be intentionally started by their owners, some models also have

an automatic "on" switch that simultaneously disconnects from the utility.

Net-metering systems are a little different, because they are designed to interact with the utility. They enable the customer who generates his or her own electricity to stay connected to the grid, and actually provide small amounts of usable power to the utility if they are producing more electricity than they're using. All net-metering installations must be approved by the Vermont Public Service Board, which ensures that legal net-metering systems have both automatic and manual disconnection switches – again, for safety reasons.

Nevertheless, the Co-op can't assume that all the installations owned by members are up to code and equipped with reliable protections.

"There has been an evolution in home power-producing equipment since we last visited this issue 21 years ago," said WEC General Manager Avram Patt. "As a result, we need to know exactly what our members have out there in the way of power-producing equipment. We can then enter the information into our computerized outage-response system, so when we're experiencing an outage we will

Generator Registration Form

Member name _____

Account number _____

Map location _____

Type of back up system:

Stand alone generator _____ (manufacturer) OR

Power Take Off (PTO generator) _____ (manufacturer)

Horsepower rating _____ (hp) Generator size _____ (watts)

Transfer switch _____ (manufacturer)

Installation complies with National Electric Code (NEC): _____ (Yes)

(If you are unsure whether your installation complies with the NEC, please contact the Co-op and we will visit your installation to confirm or assure NEC compliance)

know immediately where, within the affected area, people own these devices. Our workers can then take steps to ensure their safety."

People who own standalone or PTO-driven generators must complete a short form and return it to Washington Electric Cooperative, even if they have done so

before. Readers can use the form above.

Washington Electric is still a booster of home generation, for the members' safety, comfort and convenience, and to promote energy and environmental conservation.

But if you decide to take that step, or if you've done so already, make sure you let the Co-op know about it.



'I would like to say thank you'

March 22, 2004

Washington Electric Cooperative Board of Directors
East Montpelier, VT 05651

Dear Board Members,

Whenever our power goes out, I think of your office. I know at that very moment the phone lines are lighting up with calls from many unhappy customers, often complaining, each want theirs to be the first line restored. Let's face it – when the power is out and your house is cold and dark, it is easy to assume that your own personal dilemma must be worse than that of others. Therefore, if you can't get a quick response, the person on the other end of the line must be uncaring or unsympathetic.

I can tell you from experience that this couldn't be further from the truth. The reason I am writing this letter is to thank your employees for all they have done for my family. They have gone above and beyond the call of duty when we have needed them the most.

My daughter has been battling a rare childhood brain cancer for almost six years. In April of 2000, she had just been diagnosed with her second recurrence. The morning we were scheduled to leave for surgery in Boston could not have had a worse start. In the early hours a windstorm knocked a large tree across our driveway, bringing down a power pole, smashing our meter box, and bringing with it live electric lines and our phone line.

When I called the Washington Electric office at 4 a.m., there were of course several outages already reported ahead of mine. The gentleman I spoke with (I apologize for not remembering, but I think his name was Steve) (*editor's note: That would be Operations Assistant Steve Hart*), said it would probably be afternoon before someone could get to our home. I was, of course, quite frazzled, and trying to have this conversation on a cell phone, with very poor reception, in a very cold car, was not helping. Rather than cut short what must have sound like an over-the-edge, irate customer, the gentleman understood through the static that there was a larger concern, and waited for me to calm down and tell him what the problem was. When I explained our situation and that we couldn't get out of our driveway to get our daughter to Boston for the surgery, he immediately went into action. Within 30 minutes there was a crew at our home, not only moving the power lines but helping my husband, Howard, move the tree out of the way so we could leave. When we returned home two weeks later the pole and meter box had been replaced and all lines restored. To the gentleman on the other end of that phone line, and to the



Sherry Beede

crew who so quickly came to our aide, I would like to say thank you.

Though there have been many occasions where we have received excellent service and response, there is one more time I would like to share with you as another highlight of going above and beyond the call of duty.

Last October our daughter was diagnosed with her fifth recurrence. Surgery was followed by her being placed back on an experimental protocol she had previously been on for two years. Some of the chemotherapy medications must be kept at specific temperatures to maintain stability. Loss of power for a few hours or even for a half of a day isn't a problem, but when you go past that it is a problem.

Well, after a fairly good record of few outages over the past two years, wouldn't you know it – the power went out for days in November. I had the opportunity at that time to speak with (WEC Operations Director) Dan Weston. Dan called at regular intervals – at least 2-3 times a day – to check in and let us know what the status of the outage was, gave me his home number in the event we needed to contact him, and offered the use of a generator he would have his crew bring to our home. We had a borrowed generator, so for the most part we were okay, running it for a few hours here and there.

That is, until the morning we woke up and it stopped working. Dan immediately had in place plans for the loaded generator to be at our home if the power was not back on that afternoon. The power did come back on, but the extra steps he took during that time were a reassurance outside the normal spectrum of taking care of your customers. To Dan, I would like to say thank you.

In closing, I would also like to say thank you to the men who go out in the middle of the night, often in storms, to restore power to sometimes unthankful customers. And to the staff at the office that I am sure hears the lion's share of frustration from customers without power. In the eyes of at least one customer, the person on the other end of the line is caring, and more than willing to step up when you need them the most.

Sincerely,
Sherry Beede, Washington, Vermont

Co-op member Sherry Beede read this letter aloud at the Co-op's community meeting in Chelsea, March 23. It is reprinted in Co-op Currents with her encouragement.