

VERMONT

ELECTRIC



CEO Update: The future of transportation is now

By Rebecca Towne

should know - things really are changing."

Eric's a retired Vermont game warden and since 2017, the owner of an all-electric Nissan Leaf car. Here at VEC we think Eric is spot on when he suggests there's a dynamic future for transportation in Vermont.

As of January 2019, the number of electric vehicles or hybrid electric vehicles registered in Vermont rose by 28 percent over the previous year, up to a total of 2,985 vehicles registered in the state, according to Drive Electric Vermont. Not surprisingly, about two-thirds of those registered are plug-in hybrid cars that run on both electricity and gasoline. Popular cars (both straight electric and plug-in hybrid) were the Tesla model 3, Honda Clarity, Toyota Prius Prime, Nissan Leaf, Chevrolet Bolt, and Mitsubishi Outlander. Leasing appears to be a popular way for people to get a taste of going electric, with about 22 percent of plug-in vehicles registered being leased. And as the market matures, there seem to be an increasing num-

ber of used EVs for sale in the state. In a recent quarter, about 12 percent of plug-in cars registered were pre-owned, according to Drive Electric Vermont.

What do I see in these numbers? I see change, choices, and competition. In short, I see an exciting, fast-emerging marketplace in Vermont that will reduce pollution, cut costs, and increase the efficiency of how we get around.

Nationally and internationally, many vehicle manufacturers have turned their research and development efforts to electric vehicles. There are over 20 new models of vehicles coming out in the coming years, and the technology will soon bring us a variety of four wheel drive SUVs and pickup trucks. Battery costs are dropping and technology advancements are quickly boosting the distance that straight electric vehicles can go to 200 miles on a single charge, and in some cases further than that. Charging station infrastructure is expanding all the time, with over 200 charging stations in Vermont today, and when more cars show up there is no doubt the infrastructure will grow to meet drivers' needs.

Meanwhile, Eric Nuse continues to get questions about personal experience as an early adopter.

"It's definitely a conversation starter" Eric says

Continued on page 7



Eric and Ingrid Nuse of Johnson pose with their all-electric Nissan Leaf. Eric will be on a panel at VEC's Annual Meeting on May 11 to discuss their experience as electric vehicle owners. Read more about Eric on page 6.

Financial Highlights

By Michael Bursell,
Chief Financial Officer



Michael Bursell

members, including stable rates, improved system reliability, and the return of patronage capital to members for six consecutive years.

Since 2010, our average annual rate increase has been less than one percent per year (0.7 percent). For seven of the past ten years, we have had no rate increase. Keeping rates stable has not been easy. We have overcome significant cost pressures, including Vermont's net metering program, which requires utilities to compensate producers at rates above market prices; expensive storm restoration activities; increases in transmission costs; replacement of natural gas contracts with higher cost renewable contracts; and increased vegetation maintenance costs. In 2020, we anticipate needing to increase rates for the first time in several years.

Patronage capital, a co-op advantage

In the cooperative model, our electric consumers are also our owners. One way this ownership is reflected is in patronage capital, which is a member's share of the money remaining after VEC pays its operating expenses. It is allocated to members based on how much they were billed for electric service that year. When the financial condition of the co-operative is strong enough, the board of directors may decide to return a portion of patronage capital to the membership. In 2018, for the sixth straight year, VEC returned patronage capital to members. Since 2013, VEC has returned almost \$4.9 million in patronage capital, which is equivalent to a one-time rate decrease of nearly seven percent. Remarkably, the amount of patronage capital retired is about equal to the rate increases over the past ten years, making the equivalent rate virtually the same over the ten year period.

VEC bylaws, along with Internal Revenue Service regulations, govern how patronage capital may be distributed. The bylaws require that VEC's balance sheet must show a minimum equity level of 40 percent before patronage capital can be returned. Because VEC exceeded this important milestone, the board of directors developed a plan to return part of this equity to members, while still maintaining the minimum 40 percent equity balance.

It's important for members to understand that, to protect the co-op's financial stability, patronage capital cannot be returned all at once. Patronage capital cannot be applied to electric bills unless the board of directors determines that VEC's financial condition is strong enough and authorizes a return of a specific amount earned in specific years. When this happens, VEC members in good standing who were members during the selected years will receive a portion of their patronage capital balance, as a bill credit for active members and by check for inactive members.

Every year, VEC updates members' bills with their new patronage capital balances. Very soon we will be reporting an update to members' patronage capital balances to reflect the financial results from 2018.

Using member money responsibly

Across the company, VEC employees work hard to provide good value to members. We are proud of the work we've done to improve reliability while keeping rates stable in the face of significant upward cost pressures. We will continue to strive to maximize value for our members in an era of change in the electric industry. If you are interested in additional information, VEC's financial reports can be found on our website at www.vermontelectric.coop/financial-reports.

Candidates for VEC's Board of Directors

Voting is an important way to exercise your voice as a member of the co-op!

Co-op members elect local representatives to serve on VEC's twelve-member board of directors. The board sets policy for the co-op and is expected to represent the interests of the members.

The 2019 director election will be open for online and mailed ballots from noon on April 16, 2019 to noon on May 10, 2019. Members can also vote in person at VEC's Annual Meeting on May 11, 2019 at Jay Peak Resort. Your ballot, along with voting instructions, will arrive by mail after April 16. If you need help voting, please contact us at 1-800-832-2667 or support@vermontelectric.coop.

District 1 — TERM EXPIRES 2023

Averill, Averys Gore, Barton, Bloomfield, Brighton, Brownington, Brunswick, Canaan, Charleston, Ferdinand, Guildhall, Holland, Lemington, Lewis, Lyndon, Maidstone, Morgan, Newark, Norton, Sheffield, Sutton, Warners Grant, Warren Gore, Westmore, Wheelock

Don Worth – Island Pond

I've served on the VEC Board of Directors for several years and have completed courses which led to certificates as a Credentialed Cooperative Director (CCD), Board Leadership (BLC) and twice inducted into the Director Gold Program (DGP), the highest level of training. If reelected, I promise to continue my efforts to keep rates down while maintaining outstanding service to Co-op members. My goals are very simple...we need to keep the lights on by reducing outages and continue to ensure that you pay the lowest rates possible through astute purchases and selective investment in renewable energy, including community solar.

Before retirement, I was the Coordinator for the RSVP office in Newport, recruiting older volunteers in Orleans & Essex Counties. Born in Derby and raised in Island Pond, I graduated from the University of Maine, served in the U.S. Marine Corps and spent 26 years as a member of the U.S. Border Patrol. I presently serve as the Essex County representative to the U.S. Selective Service System and was promoted to the State Review Committee.

My wife, Miriam, and I have five children, ten grandchildren and live in Island Pond on land that was part of my grandfather's farm.



District 6 — TERM EXPIRES 2023

Berkshire, Enosburg, Franklin, Georgia, Highgate, Montgomery, Richford, Sheldon, St. Albans Town, Swanton

Paul Lambert - Georgia

Dear Vermont Electric Cooperative Members:

It is with great enthusiasm that I submit my name as a candidate for the District 6 seat on Vermont Electric Cooperative's (VEC) Board of Directors.

In brief, here is an outline of my experience and why I believe I am well suited for this position.

Energy Experience:

- 17 years working in Vermont's energy industry (VEIC/Efficiency Vermont)
- Understanding of the emerging trends and technologies impacting utilities
- Understanding of business objectives and how energy costs/reliability impact decisions
- Understanding of regulatory process and requirements

People & Community:

- I am a VEC member in both Town of Georgia and Glover
- I know many of Vermont's state, regional and local individuals & entities involved in energy
- I have a relationship & rapport with many VEC businesses, municipalities and residents

Interest & Desire:

- Energy touches all facets of our economy, community, environment and way of life
- The energy industry and the role of utilities is rapidly changing – this offers VEC an exciting challenge in balancing both short and long-term goals
- I care deeply about the communities of Northern Vermont as my wife and I raise our four children here

Thank you!

Paul Lambert

plambert@veic.org | C: 802-310-2740 | www.linkedin.com/in/PaulLambertVT.



West Zone — TERM EXPIRES 2023

Alburgh, Bakersfield, Belvidere, Berkshire, Bolton, Cambridge, Eden, Enosburg, Essex, Fairfax, Fairfield, Fletcher, Franklin, Georgia, Grand Isle, Highgate, Hinesburg, Huntington, Hyde Park, Isle LaMotte, Jericho, Johnson, Milton, Montgomery, Morristown, North Hero, Richford, Richmond, Sheldon, Shelburne, South Hero, Starksboro, Stowe, St. Albans Town, St. George, Swanton, Underhill, Waterville, Westford, Williston

Jody Dunklee – Fairfax

As a seventh generation Vermont, and an engineer with 18+ years of professional experience, I believe I am uniquely qualified to serve on the VEC Board of Directors. I have deep appreciation for our rural communities, our natural resources, and the practical background to understand the utility systems.

As board member, it would be my goal to support utility framework that will be robust into the future of changing technology landscapes. I would advocate for renewable energy where it makes sense, support rural economic development, and partner with other organizations to leverage their programs, share knowledge, and encourage community participation.

Sustainable and reliable energy distribution is a complex issue. It starts with natural resources (where does the energy come from), but quickly gets entangled in social, political, regulatory, economic, and implementation challenges. It is not just an issue for me, my family, and my community; it's an issue for future generations. This is a precarious, but exciting time in the evolution of energy utilization. Being part of a community the counts on it, I am inspired to learn more, and to contribute to a sustainable future to the best of my ability.

Contact me for further discussion: jody.dunklee@gmail.com 802-356-6052.



Steph Hoffman –Morristown

My name is Steph and I am a VEC Co-op member. I live in Morristown with my husband, three step-children, two dogs, and a kitten. I currently serve my community as an attorney for the state of Vermont. I also have private practice experience and critical experience regulating electric utilities, including the Co-op. In my capacity regulating electric utilities, I worked with members of the VEC Senior Leadership Team and acquired a deep understanding of the issues that Vermonters face as our electric use evolves and our system ages. Electric utility innovation is inevitable, and I believe we must responsibly fashion solutions to meet members' needs in the face of an aging system. We must maximize electric reliability for customers in a cost-effective manner. I welcome the opportunity to discuss your concerns and my candidacy with you. Please email me at stephbhoffman@gmail.com. I request your vote. As a Board member, I will bring a fresh, well-informed perspective – and will work hard for our electric community.



Caleb Magoon – Hyde Park

My name is Caleb Magoon and I live in Hyde Park with my wife and son. I grew in Hyde Park and returned to Vermont following my studies at Boston University and several years of work. I own and operate two businesses- Power Play Sports in Morrisville and Waterbury Sports in Waterbury.

In addition to my business work, I am committed to working in the community. I have served on several local and statewide boards and currently serve as Chair of the Board of the Lamoille County Planning Commission. In this post have I spent a great deal of time studying and analyzing our local and regional energy systems for the purpose of energy planning.

Through this process I have learned a significant amount about our energy systems and the challenges Vermont faces in achieving our goals in a responsible manner. I hope to use my business, boardroom and planning experience to tackle these challenges. While addressing these challenges is important, we need to do so while also maintaining the fiscal management of the organization and improving service to members.

I would be honored if you voted for me to help lead the VEC board into the future. Thank you!



Bylaw Changes Also on the Ballot

Besides Board of Director elections, VEC members are being asked this year to vote on two bylaw changes: the first change would remove the requirement that the annual meeting be on a Saturday (although there is no current plan to make such a change). The second change would remove the limit on patronage capital retirements to no more than 25 percent of the prior year's margins.



Vermont Electric Cooperative

81st Annual Meeting of the Members and 2019 Election

Saturday, May 11, 2019

Jay Peak Resort

**Hotel Jay Conference Center, 830 Jay Peak Road
Jay, Vermont**

Program Agenda:

8:00 a.m. – 9:30 a.m. Complimentary member breakfast and exhibitor showcase

9:30 a.m. – 11:30 a.m. Business Meeting of the Membership; panel entitled *Driving into the Future: Electric Vehicles in Rural Vermont* with Dave Roberts of Drive Electric Vermont, Michele Boomhower of the Vermont Agency of Transportation, and local electric vehicle owner Eric Nuse; and questions and answers

11:30 a.m. – 12:30 p.m. Voting results, door prize raffle, and exhibitor showcase

Join us to...

- Learn about electric vehicles and other current energy issues and hear about VEC's accomplishments during the past year as well as upcoming projects and initiatives
- Connect with your elected representatives on the board of directors
- Tap into energy information by visiting the exhibitor showcase
- Enjoy a complimentary breakfast buffet

***Be sure to RSVP to our event by May 8 by dropping your RSVP card in the mail
or emailing us at annualmtg@vermontelectric.coop***

Co-op Community Solar - "A Clear Win"



John Ward of Newport, a VEC director, sponsored panels through the Co-op Community Solar program.

Vermont Electric Co-op members continue to express interest in VEC's Co-op Community Solar Program more than two years since the program was launched in late 2016. Approximately 180 members have sponsored solar panels in the program and have begun saving money on their electricity bills.

John Ward, a VEC board member from Newport recently sponsored panels in the program.

"People support Co-op Community Solar for all kinds of reasons," Ward said. "For me it was a dollars-and-cents decision – I did the numbers and there was no question – it was a clear financial win for me."

Under the program, members make an up-front payment sponsoring solar panels for either 10 or 20 years and receive a fixed solar energy monthly credit on their electric bill. By the end of the sponsorship, the total value of the bill credits exceeds the initial up-front payment.

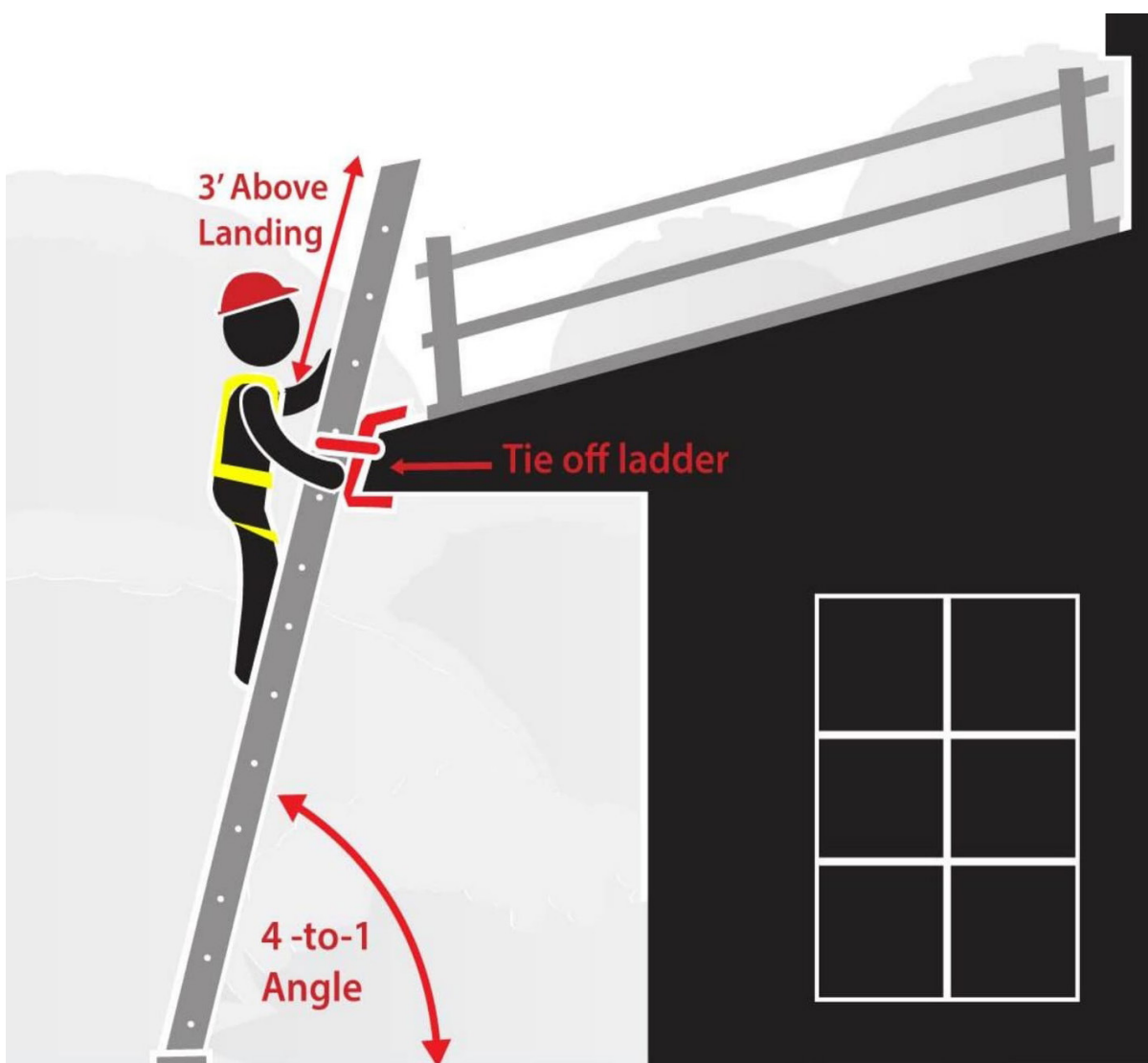
Ward also noted that the program has appeal because of its flexibility. "You don't need to put panels up in your yard or on your roof – and if you ever move, you're not locked in because you can get a refund based on how long you've participated," he said.

Here are some hypothetical scenarios:

- A member sponsoring 20 panels for 10 years would make an upfront payment of \$4,695. That member would get a bill credit of \$54.40 every month, totaling \$6,528.
- A member sponsoring 20 panels for 20 years would make an upfront payment of \$8,250.80. That member would get a bill credit of \$62.40 every month for 20 years, totaling \$14,976.

"Co-op Community Solar offers solid value to members, and puts clean electricity onto the local electric grid," said VEC Energy Services Planner Jake Brown. "It's easy and rewarding."

A Safety Note to our Members: Take Care with Ladders



As construction season approaches, VEC is urging members to keep safety in mind when using ladders. Here are key safety tips:

- Inspect ladders before use
- Before raising or extending any kind of ladder (metal pole, or other equipment) capable of reaching a power line, check in all directions for power lines. Keep ladders at least 15 feet away from lines.
- Set the base of the ladder on a solid base and at the correct 4-1 ratio angle (for every four rungs, place the latter back one foot)
- Extend the top of the ladder at least 3 feet above the landing
- If possible, screw a 2x4 cleat into the ground behind the ladder to prevent it from slipping
- Tie off the ladder at the top to prevent it slipping sideways
- When descending and ascending the ladder, always maintain at least three points of contact on the ladder, (i.e. two hands, one foot, or two feet, one hand)

Member Discount Program Adds New Partners, Boosting Number of Deals for VEC Members

Since it was launched last spring, VEC’s Member Discount program has expanded to include 22 businesses in our region that offer discounts exclusively to VEC members.

For most discounts, VEC members simply show a copy of their VEC electric bill and a photo ID. (Some businesses also ask for downloadable coupons for tracking purposes.)

Through the Member Discount Program, businesses offer bargains exclusively for VEC members on outdoor fun and entertainment, clothing and shoes, hardware, motorsports gear, and more.

“This platform connects our members with local businesses – something that’s right in line with VEC’s community focus,” said Jake Brown, VEC Energy Services Planner.

To see the specific discounts and the terms and conditions, please visit www.vermontelectric.coop/member-discounts.



VEC Member Discount Participating Businesses:

- Avis/Budget car rental (Plattsburgh)
- Energy Co-op of Vermont
- Hilltop Energy Buyers Group
- Husqvarna (local dealers)
- Jay Peak Resort
- Laquerre’s Marine and Sports Center
- Lamoille Valley Bike Tours
- Lenny’s Shoe and Apparel
- Mary Kay (local representative)
- Millbrook Campground
- Mountainview Mapleworks
- Nissan North America (local dealers)
- No School Snowboard Shop
- Smugglers’ Notch Resort
- Speedway 51
- The Farmyard Store
- The UPS Store (6677, Newport)
- Upward Mobility
- Vermont Salt Cave and Halotherapy Center
- VT Web Marketing
- Village Frame Shoppe
- 802 Mobile

Do you know a business that could benefit from promotion in VEC’s Member Discount Program? We have an info sheet and FAQs at www.vermontelectric.coop/member-discount-program or you can email VEC Energy Services Planner Jake Brown at jbrown@vermontelectric.coop.



The Farmyard Store in Derby has offered discounts since the beginning of the VEC Member Discount Program. Above, Jake Hamblett, a son of the store’s owner, is all smiles about the discounts available to VEC members.



Convenience! 100 percent.

That’s how one VEC member recently described our online portal SmartHub. SmartHub allows you to track your usage by hour, get bill notifications, schedule payments, and even pay your bill with just a few mouse clicks.

“We love SmartHub,” said Patty Titus of Hinesburg, another VEC member who uses the tool. “It lets us see our usage so we can make changes in how we use electricity so we can lower our bills,” she said. “It’s also easy to pay your bill through the portal, and we love the outage feature too.”

You can get access to SmartHub on the homepage of VEC’s website by clicking on the SmartHub button. If you were already enrolled in eBill, our previous online payment service, simply enter the same e-mail and password that you’ve always used. If you are a new user, click on the new user option on the SmartHub homepage. To create an account, you will need your account number, the last name of the first person listed on the account (or business name), and e-mail address. If you have questions or need help signing up, please call VEC’s Member Services Department at 1-800-832-2667.

Here are some comments about SmartHub from other members that we recently received on Facebook:

“I love it. So easy to do anything I need to. Pay bills, look at my usage, report an outage, and more!”

**“Use it for outages, bill payment and historical comparison around usage.”
“So easy to pay your bill and look at your usage!”**

VEC Recognized for Worksite Wellness



A healthy, safe workplace is a core value at VEC. For the sixth year in a row, we're honored that the Governor's Council on Physical Fitness and Sports recently recognized VEC for our worksite wellness programs.

The awards provide an opportunity for the governor and health commissioner to thank businesses and organizations for their efforts to support a healthy Vermont workforce. These efforts help keep health care costs down, improve productivity and make Vermont a great place to live and work.

VEC employees regularly participate in a range of healthy activities including running and walking events, an annual onsite health fair, wellness challenges, and more.

Here, members of VEC's Wellness Team join Vermont Health Commissioner Dr. Mark Levine (far left) and Governor Phil Scott (far right). From left to right are Katie Orost, Chris Connelley, Lisa Morris, Lindsey Fenton and Jeff Still. Thanks for all your leadership, VEC Wellness Team!

Electric Vehicles: How Do They Work in the Real World?

Eric Nuse, VEC member and owner of a Nissan Leaf, will bring his real-world experience owning an electric vehicle in Vermont directly to VEC members at our 2019 Annual Meeting at Jay Peak Resort on May 11.

Eric will be joining other panelists at the meeting discussing the EV marketplace in Vermont. He'll talk about range, cost, and how his car fits into his life, and take questions from VEC members. And, of course, he'll have the car on hand so members can check it out.

While Vermonters certainly aren't buying EVs in droves – at least not yet – Eric senses a distinct uptick in interest in

the technology.

"Some people I talk to are waiting a little while longer to see how it all works out with charging stations, or waiting for a truck or SUV, or for the range to increase to more miles on a charge," he says. "But I think it's on a lot of people's radar, in a way it hasn't been before."

Eric himself is looking forward to a second electric vehicle for his own household perhaps in the coming year. And one thing is sure, when he does make his move, he'll have more options to choose from (truck? all-wheel drive?) than ever before.

Pellet and Cord Wood Stove Rebates



High-efficiency pellet and cord wood stoves can be a renewable and cost-effective way to heat your home.

Adding a new stove:

- New stoves are eligible for a \$650 discount

Replacing an existing stove:

- If replacing a wood stove that was never certified by the Environmental Protection Agency (EPA), you are eligible for a \$1,000 discount from the Renewable Energy Resource Center. (Prior to 1988, wood stoves were not certified by the EPA.) For more information about this funding from the Clean Energy Development Fund (CEDF), visit www.nerc-vt.org
- If replacing an EPA certified stove, you are eligible for a \$650 discount, plus an additional \$100 if your old unit is removed and disposed of at the time of installation

This offer is available through participating retailers. Model must be listed on qualified products list. Rebate offer and amount subject to change.

For information on participating retailers and qualified products, visit <https://www.encyvermont.com/rebates/list/pellet-stoves> or <https://www.encyvermont.com/rebates/list/wood-stoves>

**Efficiency
Vermont**

Credit: Coastal Farm and Ranch

VEC also offers a \$150 bill credit for qualifying pellet stoves.

For more information, visit www.vermontelectric.coop/energy-transformation or call 1-800-832-2667.

CEO Update

from page 1

when people see him in his car. "They have lots of questions, like 'how does the vehicle drive? How about the range? What about the cost? To buy, and for fuel?'"

"Overall, it's been a really good experience for us," he says. "It's fun to drive and fun to keep going past all those gas stations particularly when gas prices are going up."

Are you interested in learning whether an EV could be in your future? You can start by checking out the Drive Electric Vermont website at Driveelectricvt.com. Or, browse the options offered online by a range of dealers across the state. Or, drop by a dealership. And don't forget to come learn more about EVs and our incentives for purchasing or leasing a car at VEC's Annual Meeting at Jay Peak Resort May 11. Hope to see you there!

VEC members
buying
electric or
plug-in hybrid
electric vehicles
are eligible for
the following
bill credits:

For plug-in hybrid electric vehicles: \$250 one-time bill credit for purchase or \$50/year for a lease.

For fully electric vehicles: \$500 one-time bill credit for purchase or \$100/year for a lease.

VEC 2018 Financial Statement

| VERMONT ELECTRIC COOPERATIVE, INC. | |
|--|----------------|
| Balance Sheet | |
| Year ended December 31, 2018 | |
| Assets | 2018 |
| Electric plant, at cost: | |
| Electric plant in service | \$ 168,887,584 |
| Less accumulated depreciation | 49,473,142 |
| Net electric plant in service | 119,414,442 |
| Construction work in progress | 697,879 |
| Net electric plant | 120,112,321 |
| Current assets: | |
| Cash | 2,029,000 |
| Notes receivable | — |
| Accounts receivable, less allowance for doubtful accounts of \$646,161 in 2018 | 6,286,749 |
| Unbilled revenue | 4,960,707 |
| Inventories | 4,954,850 |
| Prepaid expenses | 450,722 |
| Total current assets | 18,682,028 |
| Other assets: | |
| Nonutility property | 65,697 |
| Other investments | 41,828,348 |
| Deferred charges | — |
| Total other assets | 41,894,045 |
| Total assets | \$ 180,688,394 |
| | |
| Liabilities and Equity | 2018 |
| Equities: | |
| Patronage capital assignable | \$ 77,352,136 |
| Other equities | 1,247,025 |
| Contributions in aid of construction | — |
| Net equity | 78,599,161 |
| Long-term debt, excluding current installments | 79,575,983 |
| Obligations under capital lease, excluding current installments | 157,180 |
| Deferred Compensation Plan | 217,065 |
| Current liabilities: | |
| Current installments of long-term debt | 4,339,234 |
| Current installments of capital lease obligations | 21,135 |
| Revolving debt | 4,700,000 |
| Accounts payable | 7,588,187 |
| Customer deposits | 1,440,404 |
| Deferred credits | 48,839 |
| Other accrued expenses | 4,001,206 |
| Total current liabilities | 22,139,005 |
| Commitments and contingencies | |
| | |
| Total liabilities and equity | \$ 180,688,394 |

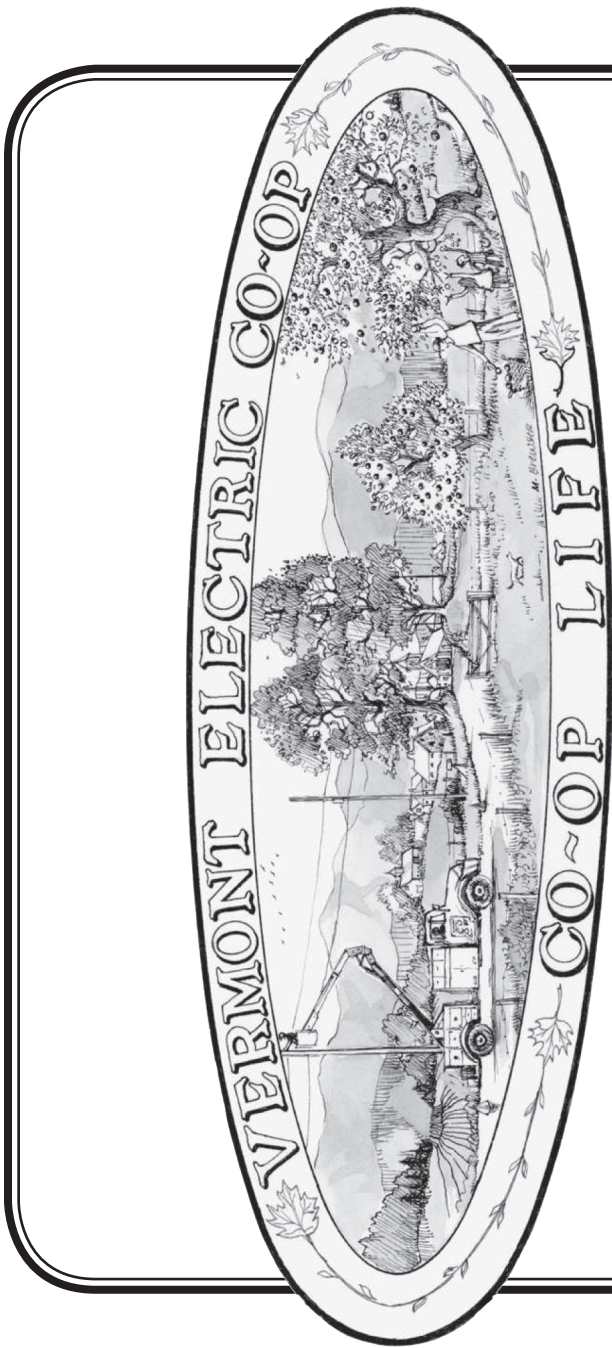
| VERMONT ELECTRIC COOPERATIVE, INC. | |
|-------------------------------------|---------------|
| Statement of Operations | |
| Year ended December 31, 2018 | |
| | 2018 |
| Operating revenue | \$ 78,932,024 |
| Less revenues subject to refund | — |
| Total operating revenue | 78,932,024 |
| Operating expenses: | |
| Purchased power | 35,794,876 |
| Transmission: | |
| Operations | 11,875,231 |
| Maintenance | 468,132 |
| Distribution: | |
| Operations | 5,944,467 |
| Maintenance | 8,083,460 |
| Customer accounts | 2,460,952 |
| Administrative and general | 3,734,326 |
| General plant maintenance | 308,090 |
| Depreciation and amortization | 5,904,602 |
| Taxes | 768,405 |
| Other deductions, net | 2,909,233 |
| Total operating expenses | 78,251,774 |
| Income from operations | 680,250 |
| Other income (expense): | |
| Gain (Loss) on sale of fixed assets | (71,543) |
| | |
| Other income (expenses) | 1,842,177 |
| Interest and dividend income | 4,875,403 |
| Other capital credits & dividends | 718,690 |
| Total other income, net | 7,364,727 |
| Interest charges: | |
| Interest on long-term debt | 3,707,479 |
| Other interest | 42,017 |
| Total interest charges | 3,749,496 |
| Net income | \$ 4,295,481 |

| VERMONT ELECTRIC COOPERATIVE, INC. | |
|---|------------|
| Capital Spending (System Improvements) | |
| Year ended December 31, 2018 | |
| Capital Spending | 2018 |
| New Construction, System Improvements | 11,707,229 |
| Less Contributions in Aid of Construction | 2,188,993 |
| Net Investment in Utility Plant | 9,518,236 |

Board of Director's Attendance at Regular Monthly Board Meetings April 2018 to March 2019

In accordance with VEC's Board Policy B2 (Duties and Responsibilities of the Board of Directors), director attendance at regular meetings is reported to members annually. Additional information regarding director fees and expenses is available upon request and on VEC's website at www.vermontelectric.coop/financial-reports.

[illegible]



Spring 2019

Volume 76 Number 2



With warmer weather on the way, we're looking forward to the season where infrastructure improvements and maintenance kick into high gear. Above, a VEC crew digs a hole to set a pole in Newport.
Photo: David Young



Vermont Electric Cooperative Inc.
42 Wescom Rd.
Johnson, VT 05656

PRSRT STD
US Postage
PAID
Permit #1
N. Haverhill, NH

Inside Spring 2019 Co-op Life

| | |
|---|-------|
| CEO Update | pg. 1 |
| Financial Highlights..... | pg. 1 |
| Candidates for VEC Board of Directors | pg. 2 |
| 81st Annual Meeting | pg. 3 |
| Community Solar..... | pg. 4 |
| Ladder Safety | pg. 4 |
| VEC Member Discount Program | pg. 5 |
| Convenience with Smart Hub | pg. 5 |
| Worksite Wellness at VEC | pg. 6 |
| Electric Vehicles in the Real World | pg. 6 |
| Efficiency Vermont Stove Incentive | pg. 6 |
| VEC 2018 Financial Statement | pg. 7 |
| VEC Board of Director's Attendance | pg. 7 |

CO-OP LIFE is published quarterly by Vermont Electric Cooperative
42 Wescom Road, Johnson, VT 05656 • 802-635-2331 • Toll Free: 1-800-VEC-COOP
www.vermontelectric.coop
Co-op Life Committee: Carol Maroni, Rich Westman,
Mark Woodward, Don Worth

Vermont Electric Cooperative Board of Directors

| | |
|------------------------------------|---|
| District 1 | Don Worth 802-723-6532 P.O. Box 450, Island Pond, VT 05846 district1@vermontelectric.coop |
| District 2 | John Ward 802-334-6022 145 Mt. Vernon St, Newport, VT 05855 district2@vermontelectric.coop |
| District 3 | Carol Maroni 802-586-7758 2426 Collinsville Rd, Craftsbury, VT 05826 district3@vermontelectric.coop |
| District 4 | Mark Woodward 802-635-7166 110 Woodward Rd, Johnson, VT 05656 district4@vermontelectric.coop |
| District 5 | Charlie Van Winkle 802-598-0128 88 Corbett Rd, Underhill, VT 05489 district5@vermontelectric.coop |
| District 6 | Paul Lambert 802-310-2740 1758 Reynolds Rd, Georgia, VT 05478 district6@vermontelectric.coop |
| District 7 | Rich Goggin 508-439-9166 30 Whipple Rd, South Hero, VT 05486 district7@vermontelectric.coop |
| Eastern Zone Directors at large | Tom Bailey 802-766-2647 P.O. Box 114, Derby, VT 05829 eastzone2@vermontelectric.coop George Lague 802-766-2456 308 Boulder Drive, Derby, VT 05829 eastzone1@vermontelectric.coop |
| Western Zone Directors at large | Rich Westman 802-644-2297 2439 Iron Gate Road, Cambridge, VT 05444 westzone3@vermontelectric.coop Dan Carswell 802-933-4628 P.O. Box 802, Enosburg Falls, VT 05450 westzone1@vermontelectric.coop Ken Hoeppner 802-644-5771 1685 VT Route 108N, Jeffersonville, VT 05464 westzone2@vermontelectric.coop |