



## Regular Board of Directors Meeting

9:30 AM, September 2, 2020

5195 Waterbury-Stowe Road, Waterbury Center, Vermont 05677

**CALL IN NUMBER: 1-773-231-9226**

**MEETING ID: 8022447678#**

**[HTTPS://MEETINGS.RINGCENTRAL.COM/J/8022447678](https://meetings.ringcentral.com/j/8022447678)**

### Directors

Vacant, Barton	Jonathan Elwell, Enosburg	Mike Sullivan, Hardwick
Pamela Moore, Jacksonville	Meredith Dolan, Johnson	Thomas Petraska, Ludlow
Bill Humphrey, Lyndonville	Penny Jones, Morrisville	Steve Fitzhugh, Northfield
John Morley III, Orleans	Reg Beliveau, Swanton	

### Agenda

*Allotted number of minutes set forth in bold type after each item*

1. Call to Order
2. Consideration of changes/modifications to agenda **(3)**
3. Public Comment **(2)**

### Action Items

4. Minutes of the 06/23/2020 Special Board of Directors Meeting [Retreat] **(3)**
5. Minutes of the 08/05/2020 Regular Board of Directors Meeting **(3)**
6. Monthly Financial Report for period ending 07/31/2020 - (Crystal) **(10)**
7. Audit Proposal Acceptance - (Crystal) **(10)**
8. Finalize Strategic Plan (Ken N) **(20)**

### Discussion Items

9. GIS Program Update (Alex) **(45)**
10. FY21 Budget Key Decisions (Ken N) **(45)**
  - a. Field Services Position (Ken N)
  - b. RES Budget (Melissa/Julia)
  - c. Cyber Security Program (Ken S)
11. Legislative/Regulatory (Melissa) **(10)**
12. Barton Status Update - (Ken N.) **(10)**

### Executive Session

13. AMI Vendor Selection (Ken S) **(30)**
14. Broadband - Contract Negotiations (Ken N) **(30)**

### Other

15. Other Business **(5)**

### CC:

Tin Barton-Caplin, Barton	Clayton O. Bailey, Lyndonville
Gary Denton, Enosburg	Sheilah Evans, Morrisville
Vacant, Hardwick	Jeff Schulz, Northfield
Mac Butova, Jacksonville	Marilyn Prue, Orleans
Vacant, Johnson	Lynn Paradis, Swanton



## Special Board of Directors Meeting Minutes

June 23, 2020

### Board of Directors:

	Vacant, Barton	<b>X</b>	Bill Humphrey, Lyndonville
	Jonathan Elwell, Enosburg	<b>X</b>	Penny Jones, Morrisville
	Mike Sullivan, Hardwick	<b>P</b>	Stephen Fitzhugh, Northfield
<b>P</b>	Pamela Moore, Jacksonville	<b>P</b>	John Morley, Orleans
<b>P</b>	Meredith Birkett, Johnson	<b>X</b>	Reginald Beliveau, Swanton
<b>P</b>	Thomas Petraska, Ludlow		

*X indicates attendance in person, P indicates attendance by phone.*

### Alternates present:

Lynn Paradis, Swanton (P)	

### Others present:

Ken Nolan, VPPSA - ( <b>X</b> )	Amy Parah, VPPSA - ( <b>X</b> )	Crystal Currier, VPPSA - ( <b>P</b> )
Julia Leopold, VPPSA - ( <b>P</b> )	Melissa Bailey, VPPSA - ( <b>P</b> )	Ken St. Amour, VPPSA - ( <b>P</b> )
Steve Farman, VPPSA - ( <b>P</b> )	Alex Nicholson, VPPSA - ( <b>P</b> )	Heather D'Arcy, VPPSA - ( <b>P</b> )
Kim Harris, VPPSA - ( <b>P</b> )	Josh Bancroft, VPPSA - ( <b>P</b> )	Steve Farman, VPPSA - ( <b>P</b> )
Amanda Simard, VPPSA - ( <b>P</b> )	Shawn Enterline, VPPSA - ( <b>P</b> )	James Gibbons, BED- ( <b>P</b> )
Tim Blodgett, Hometown Connections - ( <b>X</b> )		

### Numbers in bold type correspond with agenda item numbers:

The meeting (retreat) was held at the West Hill Bed & Breakfast located at 1496 W Hill Road, Warren, Vermont. The meeting was open to the public; however, there was no public presence in attendance.

The General Manager introduced Tim Blodgett from Hometown Connections who would facilitate the meeting. He further indicated that the purpose of the meeting was to hold a retreat for the Board that would provide time for discussion and planning related to the Authority's strategic planning process for the coming year. The Board will discuss this effort with an in-depth discussion today and the VPPSA staff will follow-up into a deeper dive on Wednesday, June 24<sup>th</sup>.

Mr. Blodgett began by asking for introductions from those in attendance followed by an update on Home Connections (HCI) and a review of the services HCI provides. A review of national industry

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trends was provided – those include: an increase in utility regulation as well as power supply, aging infrastructure, cyber security, tax-exempt financing, and the effects of the COVID-19 pandemic.

The General Manager indicated that many of the national trends are consistent with those on a State and local level. Specifically – the State regulatory environment is focused on renewable energy standards, global warming, broadband, and flexibility in pilot rates. The elements that drive those issues were discussed. From a retail customer perspective, it was noted that there continues to be interest in net metering, broadband connectivity, rate designs and interest/need for electrification. Several internal drivers were reviewed; such as: strengthening membership, a perception that VPPSA is behind in the technology curve, effects of COVID-19, moving away from providing “joint services” to providing “joint action”, having additional impacts on State decisions, and a desire to provide positive impacts in member communities beyond traditional power supply.

The General Manager reviewed the 2020 strategic plan in detail. The components of VPPSA’s 2020 strategic plan include:

Financial strength:

- Increase retail sales by 1%
- Add one new technical serve per year beginning in 2020 to VPPSA’s service offerings
- Add one new member by the end of 2020
- Increase non-member revenues by 10% per year between 2020-2023 and maintain higher level
- Develop a roadmap to implementing customer responsive rates

Policy Leadership:

- Identify, sponsor and obtain passage of at least three bills that support public power by the 2025 legislative session
- Have at least one legislative representative from each members’ territory attend a VPPSA sponsored event annually
- Develop and outreach programs to legislators by the beginning of the 2020 legislative session and the metrics to gauge that effectiveness
- Have established annual recurring meetings with the Chairs of relevant Legislative committees, the House Speaker, the Senate President Pro Temp and the Governor’s office
- Establish quarterly standing meetings with the Commissioner of Public Service and an annual meeting with the PUC
- Develop at least one VPPSA position paper on a topic of significant importance to public power

Organizational Excellence:

- Develop a succession plan for each department by the end of 2021
- Document critical tasks completed by each by position, backups for each task, and develop a cross training plan by the end of 2020
- Develop formal professional development plans looking forward for 5-years for each staff member by 06/01/2020
- Have every staff member attend training and educational events in accordance with their approved professional development plan each year beginning in 2021
- Have at least three staff members present at conferences each year
- Have VPPSA or one of its staff members receive an award from a local, regional, or national organization by the end of 2022
- Have each department operate for one week without being physically in the office and develop a plan for addressing any operational deficiencies
- Have each employee make at least one presentation to the Board of Directors each year



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- Ensure each member has both a primary and alternate Director in place by the 2020 annual meeting.
- Have at least ten members participate in each Board meeting during 2020 and have a quorum at every committee meeting

The group recessed for lunch.

Mr. Blodgett indicated that the afternoon session is intended to be a brainstorming session with a goal of building a plan. The plan will be accomplished by having the Board involved in discovery, development and focus and staff responsible for goals, actions and accountability.

The process was as follows:

- Discussed topics that could potentially change the current strategic plan.
  - Small vs large utilities - different needs need to be taken into consideration
  - Broadband- proceed with a strategic plan on approach
  - Perception of the Legislature regarding differing business models
  - Relationship with EVT, greater collaboration
  - Increase in data and utilization of the data
  - VPPSA's future interaction with both members and their retail customers
- Reviewed the current Vision and Mission Statements
- Reviewed Values and discussed behaviors that achieve those values (do we want to add behaviors?)
- Identified the Customers/Target Needs
  - Opportunity for community outreach, more accessible information on a regular basis in collaboration with members
  - Customer satisfaction voice
- Reviewed current SWOT analysis
- Reviewed Strategic Priorities (areas of focus)
- Discussed and made changes to End Statements
- Reviewed Goals

The Board was comfortable with the proposed changes and the VPPSA staff will discuss in further detail.

The meeting was concluded at 3:50 p.m.

Respectfully submitted,

***Crystal Currier***

Crystal Currier, Secretary



## Regular Board of Directors Meeting Minutes

August 5, 2020

### Board of Directors:

	Vacant, Barton	<b>P</b>	Bill Humphrey, Lyndonville
<b>P</b>	Jonathan Elwell, Enosburg	<b>P</b>	Penny Jones, Morrisville
<b>P</b>	Mike Sullivan, Hardwick	<b>P</b>	Stephen Fitzhugh, Northfield
	Pamela Moore, Jacksonville	<b>P</b>	John Morley, Orleans
<b>P</b>	Meredith Dolan, Johnson	<b>P</b>	Reginald Beliveau, Swanton
<b>P</b>	Thomas Petraska, Ludlow		

*X indicates attendance in person, P indicates attendance by phone.*

### Alternates present:

Lynn Paradis, Swanton - (P)	Sheilah Evans, Morrisville

### Others present:

Ken Nolan, VPPSA - (X)	Crystal Currier, VPPSA - (P)	Ken St. Amour, VPPSA - (P)
Julia Leopold, VPPSA - (P)	Melissa Bailey, VPPSA - (P)	Amy Parah, VPPSA - (X)
Steve Farman, VPPSA - (P)	Alex Nicholson, VPPSA - (P)	
Charles Murray, Switched Source	Lane Nelson, Switched Source	

### Numbers in bold type correspond with agenda item numbers:

- Chairman Beliveau called the meeting to order at 9:32 a.m.
- Chairman Beliveau asked if there were requests for changes and/or modifications to the current agenda. There were no requests.
- Chairman Beliveau asked if there were public comments and/or individuals who would like to address the Board. There was no public in attendance.
- Director Fitzhugh made a motion to accept the minutes of the Regular Board of Directors meeting held on June 3, 2020. The motion was seconded by Director Sullivan. Motion approved.
- Director Humphrey made a motion to accept the minutes of the Special Board of Directors meeting held on July 1, 2020. The motion was seconded by Director Fitzhugh. Motion approved.

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6. Director Jones made a motion to accept the Treasurer's report as of June 30, 2020. The motion was seconded by Director Fitzhugh. The Controller provided a brief update related to the operational budget vs. actual summary of VPPSA's operational costs for the period ending June 30th. The financial results indicate operational expenses being under-budget by approximately 12.5%. This includes payroll and overheads that are under-budget by 13.3% and office supplies and expenses that are under-budget by approximately 10.7 %. The primary drivers related to the under-budget results include: Payroll and OH's for the GIS Technician and Manager of Field Services; conferences/travel/building maintenance/legal. These costs are offset by an over-budget results in outside services and computer hardware/software (specifically cyber security) costs. Similar to the under-budget results for expenses, it is also expected that revenues will be under-budget. This is due to the fact that a portion of the Field services position was expected to be paid directly by the Village of Barton and Ashland Electric. It is expected that this trend will continue for the remainder of the year.

The motion to approve the Treasurer's report for the period ending June 30, 2020 was approved.

7. The Controller reminded the Board that the Project #10 participants are billed based on the project budgeted cost. The actual costs versus the budgeted costs are true up at the end of each PSA year ending June 30<sup>th</sup>. The calculation of the true-up was reviewed and the staff recommended that the excess funds (\$180,100.02) be retained and transferred to the reserve fund; with the caveat that the 2021 budget reserve contributions be reduced accordingly.

There was a discussion regarding the level of funds available, what the funds are being used for and whether the funds should be held or returned to participants.

Director Sullivan made a motion that the excess funds related to the Project #10 annual true-up be retained and transferred to the Project #10 capital reserve fund and that VPPSA staff adjusts the 2021 budgeted reserve to reflect this addition. The motion was seconded by Director Fitzhugh. The motion was approved. A further review of the reserve fund balance and its intended use will be held during the 2021 budget discussion.

8. The Controller provided the Board with a summary of the capital improvements and corresponding capital reserve summary for the McNeil project. The Board was reminded that the capital expenditures are reviewed at the end of each PSA year (June 30<sup>th</sup>). Due to the overcollection of funds in prior years when major expenditures were expected, and subsequently were delayed, the fund still has a significant balance. It was noted that the major overhaul that was expected to occur this spring was further delayed due to the COVID-19 events but it is currently scheduled for the fall. A question was raised regarding the level of capital improvements that will be implemented during the fall outage and the corresponding cost of those improvements. The General Manager noted that there is a specific improvement that will occur during the outage that is expected to cost approximately \$2.5 million. It was noted that VPPSA staff will review the cost of expenditures after the fall outage is complete to determine if there are excess funds that can be returned to project participants.

Given that there is sufficient funds to cover current expenditures, no Board action was requested and it was noted that the information was for the Board's reference and will be sent to the McNeil participants subsequent to the Board meeting.

9. The General Manager informed the Board that VPPSA has been a sponsor of DeltaClime (formerly AccelVT) since the program was established four years ago. DeltaClime is an incubator program for start-up companies run by the Vermont Sustainable jobs fund with primary financial support from VLITE. Several of the sessions completed so far have focused on energy companies and products that assist with climate change. The primary goal of the program is to both give new companies the tools they need to grow and a new set of contacts to provide support and to



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create Vermont based pilot programs that can support the state's goals. The program has provided potential companies that VPPSA can partner with - those currently include: Pecos Wind Power, WexEnergy, and Switched Source.

Charlie Murray from Switched Source, a company that manufactures equipment designed to balance loads across feeders and phases provided a summary of the company, the products that they are developing and how those products can benefit utilities and customers.

There was a brief Q&A regarding the equipment, its ability to balance loads, its bi-directional functionality, its impact on energy efficiency and its ability to optimize voltage. It was noted that the unit cost approximately \$250K. The Board was generally interested in the product but felt each member would need to conduct additional studies to determine if such a product was a viable investment for their specific utility.

- 10.** The General Manager updated the Board on the status of VPPSA's 2021 strategic plan efforts. It was noted that the staff has been working to finalize the 2021 strategic plan since the retreat in June. An overview of the plan and the changes that were made were reviewed and discussed. It is expected to have the plan complete for Board action in September.

- 11.** Melissa Bailey, VPPSA's Manager of Government and Member Relations, and Julia Leopold, VPPSA's Communication's Specialist provided an update on three specific legislative/regulatory topics on interest:

- a. Ms. Bailey indicated that the VPPSA staff has been working with EVT for several months to update the EVT distribution utility quarterly reports the members had previously been receiving in an effort to update the reports based on feedback from the members. A review of the changes was provided and there was a brief discussion regarding additional components the members would like to see on the report and the relationship between the members and EVT.
- b. Ms. Bailey provided an update on the PUC's disconnect moratorium (extended through September 30, 2020) and the disconnect rule. It was noted that the DPS is rolling out the arrearages program and DU's should encourage customers to apply through the online portal. There was a brief discussion on the process for customers and how the utilities will be involved.

It was noted that the disconnect rule remains under development; however, this docket is on the slow track and that is expected until the disconnect moratorium ends.

- c. A brief overview of the RES Tier 3 program was provided, and it was noted that work will begin in earnest on the 2021 RES Tier 3 budget. The Board was asked for input as to desired changes to existing programs and/or new program offerings that are desired.
- 12.** Ken St. Amour, VPPSA's Manager of Technology and Security Services updated the Board on the status of the AMI program effort. The Board was informed that review committee has reduced the discussion to two potential vendors. Over the last month a significant amount of work was with one vendor to gather additional information to make sure the committee was reviewing comparable proposals. After a detailed discussion a consensus on the preferred vendor was reached; however, it was highlighted that one of the reasons the second-place vendor was not chosen was the cost of the MDM that was offered-which had significant annual costs. That vendor had offered a second MDM in its RFI response but had not provided pricing for that option in its RFP. Subsequently, Jackie Lemmerhirt had seen a demo of the alternative MDM and was impressed with its functionality. For this reason, the committee decided that in order to fully vet



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this proposal, the committee would request pricing information on the alternative MDM from the vendor. It is expected that a final recommendation will be provided to the Board in September.

- 13.** The General Manager provided an overview of VPPSA's GIS program. The General Manager informed the Board that he hired Allen Stamp, a project management consultant to help VPPSA do several things - assess what data members have available and develop a plan for filling gaps, assess how members desire to use the program and make sure the data will facilitate those uses, and establish the procedures needed to maintain accurate data going forward. Allen Stamp and VPPSA staff have been meeting with members over that last few weeks and will continue for a couple more weeks. There seemed to be some confusion regarding the program vision that the maps will be maintained in a central location and that VPPSA would be providing support in maintaining data. Different members have different expectations in both regards so staff has been taking the position in meetings that VPPSA's final service offerings are not yet known. It was noted that until the staff has gathered all of the information on available data and established both the plan for filling gaps and procedures for maintenance it seems early to commit to a final end state. The vision of the program has not changed but the timeline and where VPPSA needs to focus its efforts may be adjusted based on the final discussion results.
- 14.** The General Manager provided a brief update on the status of Barton's desire to sell its utility. It was noted that only minor changes have occurred. Those include: 1) VPPSA is moving forward by contracting with HomeTown Connections to do a full assessment of the "value of public power" the electric department brings to Barton, 2) Barton has requested that VPPSA provide some historical information on their hydro operation in an effort to develop a value for the hydro plant, 3) VPPSA staff has begun to develop an impact analysis of the steps that would need to be taken, and associated costs, for Barton to leave VPPSA membership. Director Morley asked about the process if Barton did decide to sell its utility; specifically, would it go to the Village for a vote prior to the PUC? It was noted that the Board feels it is important that VPPSA take the steps necessary to insure that both the village trustees and the public fully understand the ramifications of their decision, and can make an informed decision. The Board sees VPPSA's role as both protecting the membership from the impacts of any Barton decision, and making sure Barton, as a VPPSA member itself, has all of the information it needs to weigh its options. The General Manager was in agreement and outlined his plan for gathering the information and putting together educational information.
- 15.** Director Morley made a motion to find that premature general public knowledge of the Authority's discussions and/or negotiations with potential counterparties would place the Authority in a position to suffer a substantial disadvantage because it would expose proposed terms of the contract negotiations. The motion was seconded by Director Fitzhugh. The motion was approved.

Director Morley made a motion to enter executive session to discuss contract negotiations as allowed under the provisions of Title 1, Section 313 (1)(A) of the Vermont Statutes. The motion was seconded by Director Fitzhugh. The motion was approved.

The Board entered Executive Session at 12:55 p.m.

The Board returned to open session at 1:10 p.m.

No action was taken.

- 16.** Other Business.

None.

The meeting was adjourned at 1:15 p.m.





Respectfully submitted,

*Crystal Currier*

Crystal Currier, Secretary

# Vermont **Public Power** Supply Authority



## *Monthly Financial Report* July 31, 2020

(Unaudited)




VPPSA MONTHLY FINANCIAL REPORT  
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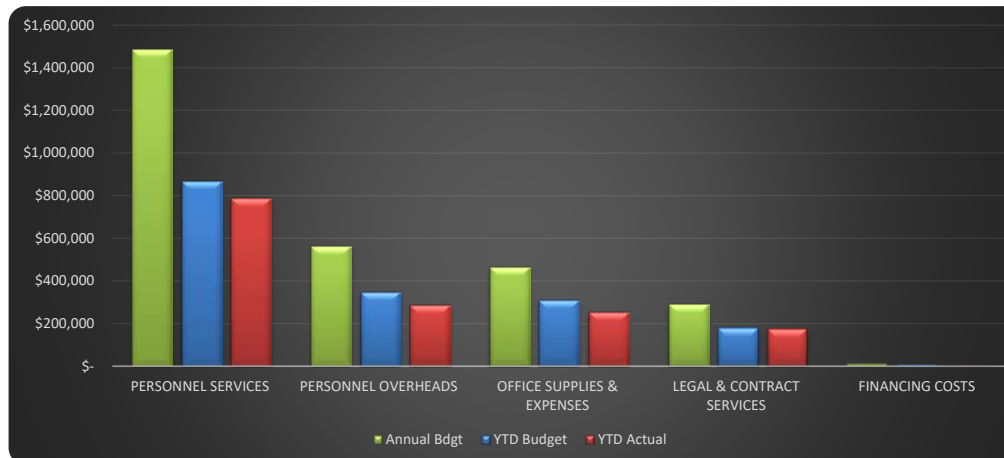
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**VERMONT PUBLIC POWER SUPPLY AUTHORITY**  
**OPERATIONAL REVENUE & EXPENSE SUMMARY**  
**2020 YTD ACTUAL VS. BUDGET**

Reconciliation Month **July-2020**

		<b>2020</b>	<b>2020</b>	<b>Variance</b>	<b>Variance</b>	<b>2020</b>	<b>YTD Act %</b>
		<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Act vs. Bdgt</b>	<b>Act vs. Bdgt</b>	<b>Annual Bdgt</b>	<b>of Annual</b>
				<b>\$</b>	<b>%</b>		<b>Bdgt</b>
<b>REVENUES:</b>							
	MCNEIL PROJECT #2	\$ 57,133	\$ 57,133	\$ -	0.0%	\$ 97,943	58%
	HIGHGATE PROJECT #3	\$ -	\$ -	\$ -	0.0%	\$ -	0%
	CENTRAL COMPUTER PRJ #4	\$ 28,566	\$ 28,566	\$ -	0.0%	\$ 48,971	58%
	SWANTON PEAKER PRJ #10	\$ 137,959	\$ 122,415	\$ (15,544)	-11.3%	\$ 236,172	52%
	RES PROJECT	\$ 29,696	\$ 29,696	\$ -	0.0%	\$ 50,908	58%
	NET METERING PROJECT	\$ 42,850	\$ 42,850	\$ -	0.0%	\$ 73,458	58%
	AMI PROJECT	\$ 89,088	\$ 89,088	\$ -	0.0%	\$ 89,089	100%
	GIS/MAPPING PROJECT	\$ 96,631	\$ 63,570	\$ (33,060)	-34.2%	\$ 189,928	33%
	MEMBER REVENUES	\$ 947,765	\$ 926,932	\$ (20,833)	-2.2%	\$ 1,624,740	57%
	NON-MEMBER REVENUES	\$ 196,104	\$ 115,840	\$ (80,264)	-40.9%	\$ 405,088	29%
	<b>TOTAL REVENUES</b>	<b>\$ 1,625,793</b>	<b>\$ 1,476,090</b>	<b>\$ (149,702)</b>	<b>-9.2%</b>	<b>\$ 2,816,297</b>	<b>52%</b>
<b>BILLABLE EXPENSES:</b>							
	PERSONNEL SERVICES	\$ 871,414	\$ 788,274	\$ (83,140)	-9.5%	\$ 1,489,920	53%
	PERSONNEL OVERHEADS	\$ 347,096	\$ 289,481	\$ (57,614)	-16.6%	\$ 562,474	51%
	OFFICE SUPPLIES & EXPENSES	\$ 310,234	\$ 253,190	\$ (57,044)	-18.4%	\$ 464,328	55%
	LEGAL & CONTRACT SERVICES	\$ 176,750	\$ 172,405	\$ (4,345)	-2.5%	\$ 290,000	59%
	FINANCING COSTS	\$ 6,632	\$ 1,525	\$ (5,107)	-77.0%	\$ 9,575	16%
	<b>TOTAL BILLABLE EXPENSES</b>	<b>\$ 1,712,126</b>	<b>\$ 1,504,876</b>	<b>\$ (207,250)</b>	<b>-12.1%</b>	<b>\$ 2,816,297</b>	<b>53%</b>
	<b>Net Income(Loss)</b>	<b>\$ (86,333)</b>	<b>\$ (28,785)</b>	<b>\$ 57,548</b>			

-  between 56% and 61%  
 greater than 61%  
 less than 56%



Monthly Financial Report-Variance Analysis  
July 31, 2020

**NON PROJECT OPERATIONS:**

	Actual				Budget	Var (\$)	Var (%)
	Operational (*)	Power Supply	Transco Activities	Other	Total		
Member/NonMember Revenues	\$ 1,004,572	\$ 17,297,343	\$ -	\$ -	\$ 18,301,915		
Other Revenue Sources	\$ 485,999	\$ 2,106,959	\$ 2,033,283	\$ 35,407	\$ 4,661,648		
Total Revenues	\$ 1,490,571	\$ 19,404,302	\$ 2,033,283	\$ 35,407	\$ 22,963,563	\$ 22,276,366	\$ 687,197 3%
Operational Expenses	\$ (1,504,876)	\$ (19,089,905)	\$ -	\$ (28,652)	\$ (20,623,433)		
Transco Activities	\$ (14,480)	\$ -	\$ (945,423)	\$ -	\$ (959,904)		
Other Expenses	\$ -	\$ -	\$ -	\$ (7,841)	\$ (7,841)		
Total Expenses	\$ (1,519,356)	\$ (19,089,905)	\$ (945,423)	\$ (36,494)	\$ (21,591,178)	\$ (21,268,897)	\$ (322,281) 2%
Net Cash Flow	\$ (28,785)	\$ 314,397	\$ 1,087,859	\$ (1,086)	\$ 1,372,384		
Transco Principal (VPPSA)	\$ 67,195	\$ -	\$ -	\$ -	\$ 67,195		
Net Income (Loss)	\$ 38,409	\$ 314,397	\$ 1,087,859	\$ (1,086)	\$ 1,439,579	\$ 1,007,469	\$ 364,915 36%
Primary Drivers	PR & OH's underbudget 11.6% or (\$141K) OS & E under-budget 13.5% or (\$66K) -website, conf/travel, legal, interest, dues; offset by computer H/S, bank fees Net Excess (Deficit) Collected to Cover Costs: <b>(\$28,785)</b> (*) - Reconciles to Operational Revenue & Expense Summary						

**MCNEIL:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 2,397,919	\$ 3,028,732	\$ (630,813)	-21%
Oper Expenses	\$ (2,680,621)	\$ (3,311,434)	\$ 630,813	-19%
Non-Oper Rev/Exp	\$ 6,747	\$ 17,285	\$ (10,538)	-61%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ (275,955)	\$ (265,417)	\$ (10,538)	4%
Primary Drivers	Oper Expenses under-bdgt (\$630,813) or 21% Wood fuel under-bdgt (\$491,085) or 19% Generation 21.4% under-budget, (6,660,878) kwh less than budget			

**CENTRAL COMPUTER:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 74,281	\$ 74,281	\$ -	0%
Oper Expenses	\$ (76,531)	\$ (74,281)	\$ (2,250)	3%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ (2,250)	\$ (0)	\$ (2,250)	0%
Primary Drivers	Non-budgeted expense (Harris Computers) of \$2,250 pending billing to participants			

**PROJECT 10:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 1,769,861	\$ 1,769,861	\$ (0)	0%
Oper Expenses	\$ (1,261,400)	\$ (1,258,766)	\$ (2,634)	0%
Non-Oper Rev/Exp	\$ 28,374	\$ 28,000	\$ 374	1%
Financing	\$ (379,846)	\$ (379,846)	\$ -	0%
Net Income (Loss)	\$ 156,989	\$ 159,249	\$ (2,260)	-1%
Primary Drivers	Labor & OH - Overbdgt \$932 or 2% Materials- Underbdgt (\$4,797) or 80% Legal & OSS - Underbdgt (\$9709) or 74% Minimal training, No Engineering costs Insurances & Electric overbudget, DC Trip test/relay testing			

**AMI Project:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 152,288	\$ 152,288	\$ (0)	0%
Oper Expenses	\$ (96,588)	\$ (152,288)	\$ 55,700	-37%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 55,700	\$ -	\$ 55,700	0%
Primary Drivers	Minimal xpenses incurred to date (primarily Limmerhirt invoices not rec'd). Assumed travel expenses that will likely not be incurred.			

**HIGHGATE:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ -	\$ -	\$ -	0%
Oper Expenses	\$ -	\$ -	\$ -	0%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ -	\$ -	\$ -	0%
Primary Drivers	Sale of Asset finalized in 2017-no activity YTD			

**Renewable Energy Standards:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 196,004	\$ 185,504	\$ 10,500	6%
Oper Expenses	\$ (107,830)	\$ (185,504)	\$ 77,674	-42%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 88,174	\$ 0	\$ 88,174	125962386%
Primary Drivers	Budgeted Expenses - Annualized Rebates/Incentives lower than budgeted to date REC purchases minimal to date			

**Net Metering Project:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 43,142	\$ 43,142	\$ 0	0%
Oper Expenses	\$ (42,919)	\$ (43,142)	\$ 223	-1%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 223	\$ (0)	\$ 223	-318886%
Primary Drivers	Mileage Expense bdgt'd but minimal incurred to date			

**GIS Project:**

	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 138,128	\$ 138,114	\$ 14	0%
Oper Expenses	\$ (135,330)	\$ (166,431)	\$ 31,100	-19%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 2,798	\$ (28,317)	\$ 31,114	-110%
Primary Drivers	Direct salaries/overheads bdgt'd to begin in Apr-started in Jun-underbdgt to date mPower Contract and outside services -overbdgt			

Vermont Public Power Supply Authority  
Project Summary Balance Sheet  
July 31, 2020

	Internal	McNeil	Highgate	C.Computer	P10	RES	NetMtr	AMI	GIS	Total
<b>ASSETS</b>										
<b>Fixed Assets</b>										
<b>Production Plant</b>										
Land & Land Rights	0.00	79,273.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	79,273.96
Structures & Improvements	0.00	4,911,937.88	0.00	0.00	3,661,136.92	0.00	0.00	0.00	0.00	8,573,074.80
Equipment	0.00	17,372,443.26	0.00	0.00	18,731,268.84	0.00	0.00	0.00	0.00	36,103,712.10
<b>Total Production Plant</b>	<b>0.00</b>	<b>22,363,655.10</b>	<b>0.00</b>	<b>0.00</b>	<b>22,392,405.76</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>44,756,060.86</b>
<b>Transmission Plant</b>										
Land & Land Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Structures & Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equipment	0.00	0.00	0.00	0.00	1,467,289.54	0.00	0.00	0.00	0.00	1,467,289.54
<b>Total Transmission Plant</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,467,289.54</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,467,289.54</b>
<b>Regional Transmission &amp; Market Plant</b>										
Computer Hardware/Software	0.00	0.00	0.00	0.00	184,727.70	0.00	0.00	0.00	0.00	184,727.70
Communication Equipment	0.00	0.00	0.00	0.00	19,074.23	0.00	0.00	0.00	0.00	19,074.23
<b>Total Regional Transm &amp; Mkt Plant</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>203,801.93</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>203,801.93</b>
<b>General Plant</b>										
Land & Land Rights	141,098.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	141,098.99
Structures & Improvements	840,474.28	0.00	0.00	0.00	562.11	0.00	0.00	0.00	0.00	841,036.39
Meters	91,454.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	91,454.48
Equipment	483,192.59	124,006.09	0.00	0.00	5,561.44	0.00	0.00	0.00	29,767.06	642,527.18
<b>Total General Plant</b>	<b>1,556,220.34</b>	<b>124,006.09</b>	<b>0.00</b>	<b>0.00</b>	<b>6,123.55</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>29,767.06</b>	<b>1,716,117.04</b>
<b>Total Fixed Assets</b>	<b>1,556,220.34</b>	<b>22,487,661.19</b>	<b>0.00</b>	<b>0.00</b>	<b>24,069,620.78</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>29,767.06</b>	<b>48,143,269.37</b>
<b>CWIP</b>	<b>0.00</b>	<b>159,000.52</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>159,000.52</b>
Intangible Plant-Net of Amort.	1,905.99	977.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,883.87
Accumulated Depreciation	(1,109,415.91)	(20,509,084.16)	0.00	0.00	(11,404,762.22)	0.00	0.00	0.00	(496.12)	(33,023,758.41)
<b>Net Utility Plant In Service</b>	<b>448,710.42</b>	<b>2,138,555.43</b>	<b>0.00</b>	<b>0.00</b>	<b>12,664,858.56</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>29,270.94</b>	<b>15,281,395.35</b>

**Vermont Public Power Supply Authority**  
**Project Summary Balance Sheet**  
**July 31, 2020**

	Internal	McNeil	Highgate	C.Computer	P10	RES	NetMtr	AMI	GIS	Total
<b>Investments:</b>										
Bond Fund Investments	0.00	0.00	0.00	0.00	2,367,189.67	0.00	0.00	0.00	0.00	2,367,189.67
Vt. Transco Investments	33,600,890.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33,600,890.00
Other Investments	265,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	265,000.00
<b>Total Investments</b>	<b>33,865,890.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,367,189.67</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>36,233,079.67</b>
<b>Current Assets:</b>										
Project Revenue Funds	0.00	(143,000.60)	12.35	0.00	155,858.99	0.00	0.00	0.00	0.00	12,870.74
Project Construction Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash and Working Funds	3,632,538.62	0.00	0.00	(12,422.11)	0.00	130,391.54	(1,308.58)	55,699.98	(20,435.08)	3,784,464.37
Cash-Special Deposits-PEX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash - VEV Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary Investments	443,423.32	1,919,372.37	0.00	0.00	4,366,073.20	0.00	0.00	0.00	0.00	6,728,868.89
Accounts Receivable	4,034,862.78	774,854.58	0.00	(3,394.91)	0.00	(259.75)	1,531.80	0.00	(1,076.89)	4,806,517.61
Amounts Due From Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Notes Receivable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest/Distributions Receivable	1,588.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,588.32
Inventory	515.00	1,182,079.45	0.00	0.00	243,572.53	0.00	0.00	0.00	0.00	1,426,166.98
Prepayments	14,394.19	0.00	0.00	0.00	135,354.75	0.00	0.00	0.00	0.00	149,748.94
<b>Total Current Assets</b>	<b>8,127,322.23</b>	<b>3,733,305.80</b>	<b>12.35</b>	<b>(15,817.02)</b>	<b>4,900,859.47</b>	<b>130,131.79</b>	<b>223.22</b>	<b>55,699.98</b>	<b>(21,511.97)</b>	<b>16,910,225.85</b>
<b>Other Assets:</b>										
Deferred Debits-Other Reg Assets	0.00	0.00	0.00	0.00	25,000.00	0.00	0.00	0.00	0.00	25,000.00
Deferred Debits	5,906.66	275,503.39	0.00	13,984.02	0.00	0.00	0.00	0.00	0.00	295,394.07
Derivative Instrument Asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UnAmortized Debt Issue Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Other Assets</b>	<b>5,906.66</b>	<b>275,503.39</b>	<b>0.00</b>	<b>13,984.02</b>	<b>25,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>320,394.07</b>
<b>Total Assets</b>	<b>\$ 42,447,829.31</b>	<b>6,147,364.62</b>	<b>12.35</b>	<b>(1,833.00)</b>	<b>19,957,907.70</b>	<b>130,131.79</b>	<b>223.22</b>	<b>55,699.98</b>	<b>7,758.97</b>	<b>68,745,094.94</b>



**Vermont Public Power Supply Authority**  
**Project Summary Balance Sheet**  
**July 31, 2020**

	Internal	McNeil	Highgate	C.Computer	P10	RES	NetMtr	AMI	GIS	Total
<b>LIABILITIES AND CAPITAL</b>										
<b>Current Liabilities:</b>										
Accounts Payable	2,245,882.68	439,436.51	0.00	415.00	34,941.87	3,144.50	0.00	0.00	4,961.27	2,728,781.83
Security Deposits	5,764.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,764.37
Amounts due Members	396,785.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	396,785.95
Short-term Bank Notes Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Maturities on L/T Debt	3,139,910.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,139,910.84
Derivative Instrument Liability	39,094.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39,094.48
Accrued Interest	0.00	0.00	0.00	0.00	50,894.69	0.00	0.00	0.00	0.00	50,894.69
Accrued Taxes Payable	8,750.00	20,779.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,529.17
Accrued Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Pension Contributions	740.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	740.30
Accrued Payroll Liabilities	3,296.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,296.65
Other Misc. Accrued Liabilities	9,954.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,954.61
<b>Total Current Liabilities</b>	<b>5,850,179.88</b>	<b>460,215.68</b>	<b>0.00</b>	<b>415.00</b>	<b>85,836.56</b>	<b>3,144.50</b>	<b>0.00</b>	<b>0.00</b>	<b>4,961.27</b>	<b>6,404,752.89</b>
<b>Long-Term Debt:</b>										
LTD-Bonds	0.00	0.00	0.00	0.00	13,280,000.00	0.00	0.00	0.00	0.00	13,280,000.00
LTD-Other-HG	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Other-P10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Transco-Members	14,553,057.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,553,057.57
LTD-Transco-HG	1,114,015.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,114,015.08
LTD-Transco-VEC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Transco-LCSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Transco-LED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-2019 Building Upgrades	116,666.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	116,666.68
Unamortized Bond Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unamortized Loss of Reaq. Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Long-Term Debt</b>	<b>15,783,739.33</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13,280,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>29,063,739.33</b>
<b>Other Liabilities</b>										
Deferred Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Def. Revenues - Members	0.00	0.00	12.13	0.00	0.00	38,813.38	0.09	0.00	0.00	38,825.60
Deferred Vacation Wages	98,915.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	98,915.44
Deferred Contract Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Credits-Other Reg Liability	0.00	0.00	0.00	0.00	25,000.00	0.00	0.00	0.00	0.00	25,000.00
Other Deferred Credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Deferred Credits</b>	<b>98,915.44</b>	<b>0.00</b>	<b>12.13</b>	<b>0.00</b>	<b>25,000.00</b>	<b>38,813.38</b>	<b>0.09</b>	<b>0.00</b>	<b>0.00</b>	<b>162,741.04</b>
Interfund-Project Allocations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Capital Equity</b>										
Unappropriated Retained Earnings	6,540,477.81	5,687,148.95	1,193,836.70	(2,247.99)	6,543,312.12	88,173.91	223.13	55,699.98	2,797.70	20,109,422.31
Unappropriated Earnings-Distributed	0.00	0.00	(1,193,836.48)	0.00	0.00	0.00	0.00	0.00	0.00	(1,193,836.48)
Appropriated Retained Earnings	14,213,611.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,213,611.31
Other Comprehensive Income	(39,094.48)	0.00	0.00	0.00	23,759.02	0.00	0.00	0.00	0.00	(15,335.46)
<b>Total Retained Earnings</b>	<b>20,714,994.64</b>	<b>5,687,148.95</b>	<b>0.22</b>	<b>(2,247.99)</b>	<b>6,567,071.14</b>	<b>88,173.91</b>	<b>223.13</b>	<b>55,699.98</b>	<b>2,797.70</b>	<b>33,113,861.68</b>
<b>Total Liabilities &amp; Capital</b>	<b>\$ 42,447,829.29</b>	<b>6,147,364.63</b>	<b>12.35</b>	<b>(1,832.99)</b>	<b>19,957,907.70</b>	<b>130,131.79</b>	<b>223.22</b>	<b>55,699.98</b>	<b>7,758.97</b>	<b>68,745,094.94</b>

**Vermont Public Power Supply Authority**  
**Project Summary Income Statement**  
**July 31, 2020**

	Non-Project	McNeil	Highgate	C. Computer	Swanton Pkr	RES	Net Mtr	AMI	GIS	Total
<b>REVENUES &amp; OTHER INCOME</b>										
Sales for ReSale	17,552,029.91	2,397,919.47	0.00	0.00	1,769,860.62	0.00	0.00	0.00	0.00	21,719,810.00
Service Revenues	0.00	0.00	0.00	74,281.27	0.00	196,003.84	43,141.77	152,288.40	138,127.90	603,843.18
CDA & Affiliate Revenues	1,004,571.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,004,571.75
Project Revenues	433,318.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	433,318.86
REC Revenues	2,106,959.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,106,959.20
Service Revenue-Direct Billable	27,652.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27,652.38
VELCO Directorship	9,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,500.00
Misc. Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Operating Revenues</b>	<b>21,134,032.10</b>	<b>2,397,919.47</b>	<b>0.00</b>	<b>74,281.27</b>	<b>1,769,860.62</b>	<b>196,003.84</b>	<b>43,141.77</b>	<b>152,288.40</b>	<b>138,127.90</b>	<b>25,905,655.37</b>
<b>EXPENSES</b>										
<b>POWER PRODUCTION</b>										
<b>STEAM POWER PRODUCTION</b>										
Operations	0.00	1,877,631.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,877,631.60
Maintenance	0.00	164,011.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	164,011.81
<b>Total Steam Power Production</b>	<b>0.00</b>	<b>2,041,643.41</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,041,643.41</b>
<b>OTHER POWER PRODUCTION</b>										
Operations	0.00	0.00	0.00	0.00	171,876.21	0.00	0.00	0.00	0.00	171,876.21
Maintenance	0.00	0.00	0.00	0.00	21,111.33	0.00	0.00	0.00	0.00	21,111.33
<b>Total Other Power Production</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>192,987.54</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>192,987.54</b>
<b>TRANSMISSION</b>										
Operations	6,517,617.62	3,749.88	0.00	0.00	8.09	0.00	0.00	0.00	0.00	6,521,375.59
Maintenance	0.00	0.00	0.00	0.00	21,596.00	0.00	0.00	0.00	0.00	21,596.00
<b>Total Transmission Expense</b>	<b>6,517,617.62</b>	<b>3,749.88</b>	<b>0.00</b>	<b>0.00</b>	<b>21,604.09</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6,542,971.59</b>
<b>OTHER POWER SUPPLY</b>										
Purchase Power	12,775,752.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,775,752.73
System Control & Load Dispatch	0.00	4,575.29	0.00	0.00	5,665.12	0.00	0.00	0.00	0.00	10,240.41
REC Purchases	2,299.20	0.00	0.00	0.00	0.00	30,810.00	0.00	0.00	0.00	33,109.20
<b>Total Other PS Expense</b>	<b>12,778,051.93</b>	<b>4,575.29</b>	<b>0.00</b>	<b>0.00</b>	<b>5,665.12</b>	<b>30,810.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12,819,102.34</b>

**Vermont Public Power Supply Authority**  
**Project Summary Income Statement**  
**July 31, 2020**

	Non-Project	McNeil	Highgate	C. Computer	Swanton Pkr	RES	Net Mtr	AMI	GIS	Total
<b>REGIONAL MARKET EXPENSES</b>										
RME-Market Monitor/Compl-Gen	0.00	0.00	0.00	0.00	17,355.93	0.00	0.00	0.00	0.00	17,355.93
RME-Market Monitor/Compl-L&O	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Reg. Market Expense	0.00	0.00	0.00	0.00	17,355.93	0.00	0.00	0.00	0.00	17,355.93
<b>CUSTOMER SVS &amp; INFORMATION ADV</b>										
Cust Assistance Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cust Svs & Info Adv	718.65	4,810.04	0.00	0.00	0.00	1,544.50	0.00	0.00	0.00	7,073.19
Total Cust Svs & Info Adv.	718.65	4,810.04	0.00	0.00	0.00	1,544.50	0.00	0.00	0.00	7,073.19
<b>SALES EXPENSE</b>										
Sales Expense	5,742.65	1,980.00	0.00	0.00	0.00	36,750.00	0.00	0.00	0.00	44,472.65
Total Sales Expense	5,742.65	1,980.00	0.00	0.00	0.00	36,750.00	0.00	0.00	0.00	44,472.65
<b>ADMINISTRATIVE &amp; GENERAL</b>										
Operations	1,483,011.89	186,459.83	0.00	76,531.34	355,401.25	38,725.60	42,918.62	96,588.42	134,834.08	2,414,471.03
Maintenance	0.00	36.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36.48
Total A&G Expense	1,483,011.89	186,496.31	0.00	76,531.34	355,401.25	38,725.60	42,918.62	96,588.42	134,834.08	2,414,507.51
<b>OTHER</b>										
Taxes- In Lieu of Property Taxes	8,750.00	154,449.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	163,199.61
Depreciation Expense	18,711.00	282,916.69	0.00	0.00	668,385.83	0.00	0.00	0.00	496.12	970,509.64
Amortization Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct Billable-Pass Thru Exp	28,652.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,652.38
Total Other Expense	56,113.38	437,366.30	0.00	0.00	668,385.83	0.00	0.00	0.00	496.12	1,162,361.63
<b>Total Operating Expenses</b>	<b>20,841,256.12</b>	<b>2,680,621.23</b>	<b>0.00</b>	<b>76,531.34</b>	<b>1,261,399.76</b>	<b>107,830.10</b>	<b>42,918.62</b>	<b>96,588.42</b>	<b>135,330.20</b>	<b>25,242,475.79</b>
<b>Net OPERATING Earnings(Loss)</b>	<b>\$ 292,775.98 (\$ 282,701.76)</b>		<b>0.00</b>	<b>(2,250.07)</b>	<b>508,460.86</b>	<b>88,173.74</b>	<b>223.15</b>	<b>55,699.98</b>	<b>2,797.70</b>	<b>663,179.58</b>

Vermont Public Power Supply Authority  
Project Summary Income Statement  
July 31, 2020

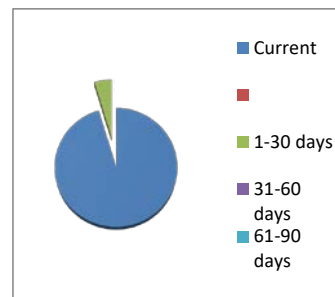
	Non-Project	McNeil	Highgate	C. Computer	Swanton Pkr	RES	Net Mtr	AMI	GIS	Total
<b>NON-OPERATING (INCOME) EXPENSES</b>										
<b>OTHER NON-OPERATING (INCOME) EXPENSES</b>										
Interest/Finance Chg Income	(7,754.87)	(6,962.13)	0.00	0.00	(28,374.42)	0.00	0.00	0.00	0.00	(43,091.42)
TRANSCO Distribution/Income	(2,101,222.87)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,101,222.87)
Transco "Net Settlement" Expense	550,831.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	550,831.60
Misc. Non-Operating Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Misc. Non-Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Non-Operating (Inc) Exp	(1,558,146.14)	(6,962.13)	0.00	0.00	(28,374.42)	0.00	0.00	0.00	0.00	(1,593,482.69)
<b>FINANCING COSTS</b>										
Interest on LTD-Bonds	0.00	0.00	0.00	0.00	379,622.91	0.00	0.00	0.00	0.00	379,622.91
Interest on LTD-Other	0.00	214.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	214.90
Interest on LTD-Transco	409,817.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	409,817.95
Interest on LTD-2019 Bldg Renov.	1,525.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,525.22
Interest on Short-term Debt	0.00	0.00	0.00	0.00	223.44	0.00	0.00	0.00	0.00	223.44
Financing Costs on LTD-Swp Rel.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortizations on Financing Activities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Financing Expenses	411,343.17	214.90	0.00	0.00	379,846.35	0.00	0.00	0.00	0.00	791,404.42
Total Non-Operating (Inc) Exp	(1,146,802.97)	(6,747.23)	0.00	0.00	351,471.93	0.00	0.00	0.00	0.00	(802,078.27)
TOTAL Net Earnings(Loss)	1,439,578.95	(275,954.53)	0.00	(2,250.07)	156,988.93	88,173.74	223.15	55,699.98	2,797.70	1,465,257.85

Vt. Public Power Supply Authority  
Consolidated Balance Sheet  
July 31, 2020

	2020	2019
<b>ASSETS</b>		
Electric Utility Plant	48,143,269.37	47,734,127.33
Accumulated Depreciation	(33,023,758.41)	(31,431,621.83)
Utility Plant in Service	15,119,510.96	16,302,505.50
 CWIP-General	0.00	0.00
CWIP-McNeil	159,000.52	104,815.15
CWIP-Highgate	0.00	0.00
CWIP-P10	0.00	41,236.04
 Net Electric Plant	15,278,511.48	16,448,556.69
 Intangible Plant-Net of Amort.	2,883.87	977.88
<u>Current Assets:</u>		
Special Funds	2,380,060.41	2,583,561.99
Cash and Working Funds	2,445,510.83	1,706,497.59
Cash - REC's	0.00	0.00
Cash - Vt. Transco	1,338,953.54	1,207,354.66
Cash - VEV Proceeds	0.00	0.00
Special Deposits-Collateral	0.00	0.00
Temporary Investments	6,728,868.89	6,246,273.15
Investment in Associated Co.	265,000.00	265,000.00
Investment in Vt. Transco	33,600,890.00	41,888,780.00
Accounts Receivable	4,806,517.61	6,238,844.90
Amounts Due From Members	0.00	0.00
Notes Receivable	0.00	0.00
Interest/Distributions Receivable	1,588.32	0.37
McNeil Inventory	1,182,079.45	976,661.30
P10 Inventory	243,572.53	223,283.81
Meter Inventory	515.00	515.00
Other Current Assets	149,748.94	164,282.96
 Total Current Assets	53,143,305.52	61,501,055.73
<u>Other Assets:</u>		
Deferred Debits-Other Regulatory Asset	25,000.00	0.00
Deferred Debits-McN	295,394.07	328,066.58
Derivative Instrument Asset	0.00	0.00
Unamortized Dbt Iss Exp-LetCrd	0.00	0.00
Unamort Debt Issue Exp-McN	0.00	0.00
Unamort Debt Issue Exp-HG	0.00	0.00
Unamortiz Debt Issue Exp-P10	0.00	0.00
 Total Other Assets	320,394.07	328,066.58
 <b>Total Assets</b>	<b>\$ 68,745,094.94</b>	<b>\$ 78,278,656.88</b>

A/R Aging Analysis

Current	95%
1-30 days	5%
31-60 days	0%
61-90 days	0%
91-120 days	0%
>120 days	0%
Total	100%



Vt. Public Power Supply Authority  
Consolidated Balance Sheet  
July 31, 2020

	2020	2019
<b>LIABILITIES AND CAPITAL</b>		
Unappropriated Retained Earnings	20,109,422.31	19,977,349.14
Unappropriated Earnings-Distributed	(1,193,836.48)	(1,193,836.48)
Appropriated Retained Earnings	14,213,611.31	12,069,928.07
Other Comprehensive Income	(15,335.46)	(58,450.31)
Total Retained Earnings	33,113,861.68	30,794,990.42
<u>Long-Term Debt:</u>		
LTD-P10 Bonds - Series A	12,550,000.00	13,655,000.00
LTD-P10 Bonds - Series B	730,000.00	795,000.00
LTD-Transco 2011 Consolid Refi	7,917,282.89	9,048,323.31
LTD-Transco 2012-2014 Members	2,769,261.68	3,164,870.44
LTD-Vt Transco "16 Members	1,100,290.00	1,310,290.00
LTD-Vt Transco Financing-HG	1,114,015.08	1,273,160.08
LTD-Vt Transco '17 Members	1,381,254.00	1,578,576.00
LTD-Vt Transco '18 Members	937,712.00	1,054,926.00
LTD-Vt Transco '18 VPPSA	60,464.00	68,022.00
LTD-Vt Transco '19 Members	386,793.00	0.00
LTD-LED SFTransco 2010-2020	0.00	2,194,000.00
LD-2019 Building Upgrades	116,666.68	0.00
Unamortized Premium-P10 Bonds	0.00	(0.05)
Unamortiz Loss-Reaqc Debt-P10	0.00	(0.04)
Net Long-Term Debt	29,063,739.33	34,142,167.74
Def. Revenues - Members	38,825.60	67,608.30
Def. Credits-Accrued Vac Liab.	98,915.44	83,666.21
Def Credits-LT Salaries Payabl	0.00	0.00
Def Credits-Other Reg Liabilities	25,000.00	0.00
Total Deferred Revenues/Credits	162,741.04	151,274.51
<u>Current Liabilities:</u>		
Accounts Payable	2,728,781.83	3,020,832.61
Amounts due Members	396,785.95	374,700.84
Security Deposits	5,764.37	1,576.75
Short-term Bank Notes Payable	0.00	0.00
Current Maturities on L/T Debt	3,139,910.84	9,664,255.68
Derivative Instrument Liability	39,094.48	59,769.84
Accrued Interest	50,894.69	54,787.94
Accrued Taxes Payable	29,529.17	11,994.41
Accrued Salaries	0.00	0.00
Accrued Pension Contributions	740.30	3,086.23
Accrued Payroll Liabilities	3,296.65	3,205.08
Other Misc. Accrued Liabilities	9,954.61	(3,985.17)
Total Current Liabilities	6,404,752.89	13,190,224.21
<b>Total Liabilities &amp; Capital</b>	<b>\$ 68,745,094.94</b>	<b>\$ 78,278,656.88</b>

**Vermont Public Power Supply Authority**  
**Non-Project Operations - Profit & Loss Statement**  
**July 31, 2020**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Operating Revenues</b>				
Sales for Resales	17,297,342.94	16,506,668.20	105%	27,841,446.45
Sales for Resales-Standard Offer	254,686.97	586,434.72	43%	1,056,529.37
Serv. Fees, Members & Affiliates	1,004,571.75	1,032,012.28	97%	1,787,858.58
Admin Fees Allocated to Projects	351,270.74	321,576.64	109%	551,274.24
Project 10 Labor & OH Revenue	63,022.44	78,374.31	80%	134,355.96
GIS Project Lbr & OH	19,025.68	50,419.35	38%	100,838.70
VELCO Directorship	9,500.00	9,000.00	106%	18,000.00
Renewable Energy Certificates	2,106,959.20	1,573,226.59	134%	2,721,650.01
Serv. Revenue-Direct Billable	27,652.38	0.00	0%	0.00
Misc. Revenues	0.00	0.00	0%	1,000.00
<b>Total Operating Revenues</b>	<b>21,134,032.10</b>	<b>20,157,712.09</b>	<b>105%</b>	<b>34,212,953.31</b>
<b>Operating Expenses</b>				
<b>Other Power Supply Expense</b>				
OPSE-Purchased Power	12,564,245.82	12,037,522.33	104%	20,585,528.11
OPSE-REC Purchase Exp.	2,299.20	0.00	0%	0.00
OPSE-Purchase Pwr-'15 SO (Lyn)	125,448.15	124,944.75	0%	197,428.50
OPSE-Purchase Pwr-'17 SO(Trom)	86,058.76	99,066.00	0%	156,536.82
OPGE-Purchase Pwr-'19SO (Hess)	0.00	124,261.54	0%	247,452.58
OPGE-Purchase Pwr-'19SO(Davis)	0.00	125,555.94	0%	250,030.21
<b>Total Other Power Supply Expense</b>	<b>12,778,051.93</b>	<b>12,511,350.56</b>	<b>102%</b>	<b>21,436,976.22</b>
<b>Transmission Expense</b>				
TRSM-Oper-Transm by Others	6,509,638.98	6,035,371.46	108%	9,965,567.35
TRSM-Oper-Misc Transm Exp	7,978.64	7,000.00	114%	12,000.00
<b>Total Transmission Expense</b>	<b>6,517,617.62</b>	<b>6,042,371.46</b>	<b>108%</b>	<b>9,977,567.35</b>
<b>Cust Svs &amp; Informational Expense</b>				
Customer Svs & Informational	718.65	4,751.25	15%	8,145.00
<b>Total Customer Svs &amp; Informational Exp</b>	<b>718.65</b>	<b>4,751.25</b>	<b>15%</b>	<b>8,145.00</b>
<b>Sales Expense</b>				
REC Sales Expenses	5,742.65	0.00	0%	0.00
<b>Total Sales Expense</b>	<b>5,742.65</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Admin &amp; General Expense</b>				
Salaries	788,274.41	871,413.97	90%	1,489,920.45
Payroll Overheads	64,784.99	73,202.89	89%	115,716.01
Office Supplies & Expense	136,908.05	139,592.32	98%	222,344.00
Outside Services	172,404.81	176,750.00	98%	290,000.00
Insurances	48,827.71	49,217.46	99%	55,650.00
Employee Benefits	224,696.34	273,892.79	82%	446,757.47
Memberships/Dues	32,427.77	34,108.35	95%	36,650.00
Conference & Travel Expenses	13,361.31	60,902.90	22%	104,405.00
Rents	0.00	0.00	0%	0.00
Transportation Expenses	1,326.50	2,041.65	65%	3,500.00
A & G Transferred Credit	0.00	0.00	0%	0.00
<b>Total A &amp; G Expenses</b>	<b>1,483,011.89</b>	<b>1,681,122.33</b>	<b>88%</b>	<b>2,764,942.93</b>



**Vermont Public Power Supply Authority**  
**Non-Project Operations - Profit & Loss Statement**  
**July 31, 2020**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Other Operating Expenses</b>				
A&G- Billable to Others	0.00	0.00		0.00
A&G-OS&E-PTE-IT Related	19,137.06	0.00		0.00
A&G-OS&E-PTE-Consulting	8,445.42	0.00		0.00
A&G-OS&E-PTE-Supplies	0.00	0.00		0.00
A&G-OS&E-PTE-Misc	1,069.90	0.00		0.00
<b>Other Operating Exp-Direct Pass-Thru</b>	<b>28,652.38</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
Property Taxes	8,750.00	8,750.00	100%	15,000.00
Depreciation Expense	18,711.00	18,711.00	100%	32,076.00
Amortization Expense	0.00	0.00	0%	0.00
Other Operating Expenses-Misc	27,461.00	27,461.00	100%	47,076.00
<b>Total Other Operating Expenses</b>	<b>56,113.38</b>	<b>27,461.00</b>	<b>204%</b>	<b>47,076.00</b>
<b>Total Operating Expenses</b>	<b>20,841,256.12</b>	<b>20,267,056.60</b>	<b>103%</b>	<b>34,234,707.50</b>
<b>Total Operating Income (Loss)</b>	<b>292,775.98</b>	<b>(109,344.51)</b>	<b>-268%</b>	<b>(21,754.19)</b>
<b>Non-Operating (Income) Expenses</b>				
Interest/Finance Chg Income	(7,754.87)	(17,500.00)	44%	(30,000.00)
Vt. Transco Income	(2,101,222.87)	(2,101,153.90)	100%	(4,202,307.80)
Non-Operating Income-Member Purch.	0.00	0.00	0%	0.00
Non-Operating Inc-Gain on Disp of Plant	0.00	0.00	0%	0.00
Misc. Non-Operating Income	0.00	0.00	0%	0.00
Non-Operating Expenses-Member Purchas	0.00	0.00	0%	0.00
Misc. Non-Operating Expenses	0.00	0.00	0%	0.00
<b>Net Other Non-Operating (Inc) Exp</b>	<b>(2,108,977.74)</b>	<b>(2,118,653.90)</b>	<b>100%</b>	<b>(4,232,307.80)</b>
<b>Financing Costs</b>				
Other Interest Expense	0.00	4,075.00	0%	4,075.00
Other Interest Expense-Transco	0.00	0.00	0%	0.00
Interest on LTD-Transco	409,817.95	452,337.36	91%	818,006.62
Interest on LTD-19 Building Upgrades	1,525.22	2,557.46	59.64	5,500.00
Amort. of Debt Issue Exp-Transco	0.00	0.00	0%	0.00
Transco Net Settlement Exp.	550,831.60	542,870.56	101%	1,104,651.33
Interest on LTD	0.00	0.00	0%	0.00
Amortiz of Debt Iss. Exp-LtrCr	0.00	0.00	0%	0.00
<b>Net Financing Costs</b>	<b>962,174.77</b>	<b>1,001,840.38</b>	<b>96%</b>	<b>1,932,232.95</b>
<b>Total Non-Operating (Inc) Exp</b>	<b>(1,146,802.97)</b>	<b>(1,116,813.52)</b>	<b>103%</b>	<b>(2,300,074.85)</b>
<b>Total Net Earnings (Loss)</b>	<b>\$ 1,439,578.95</b>	<b>\$ 1,007,469.01</b>	<b>143%</b>	<b>\$ 2,278,320.66</b>

**Vermont Public Power Supply Authority**  
**McNeil Project #2 - Profit & Loss Statement**  
**July 31, 2020**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b><u>OPERATING REVENUES &amp; INCOME</u></b>				
Sales for ReSale	2,397,919.47	3,028,732.41	79%	5,071,784.95
REC Sales	0.00	0.00	0%	0.00
<b>Total Operating Revenues &amp; Income</b>	<b>2,397,919.47</b>	<b>3,028,732.41</b>	<b>79%</b>	<b>5,071,784.95</b>
<b><u>OPERATING EXPENSES</u></b>				
<b>STEAM PWR GENERATION-OPERATIONS</b>				
SPG-Oper- Misc. Steam Power Expens	68,670.32	87,560.55	78%	150,103.80
SPG-Oper-Supv&Engineering	51,422.75	50,093.68	103%	85,874.87
SPG-Oper-Steam Exp-Fuel Oil	10,835.10	997.31	1086%	1,146.08
SPG-Oper-Wood Fuel Expense	1,450,658.09	1,320,294.82	110%	2,140,055.50
SPG-Oper-Cap Rel Wood Ene Cost	48,016.44	539,101.79	9%	927,431.64
SPG-Oper-Natural Gas Fuel Exp.	5,750.48	14,155.51	41%	24,266.61
SPG-Oper-Steam Expenses	173,443.52	217,761.81	80%	373,305.92
SPG-Oper-Electric Expenses	68,834.90	92,275.19	75%	158,186.06
<b>Total SPG-Operations Expense</b>	<b>1,877,631.60</b>	<b>2,322,240.66</b>	<b>81%</b>	<b>3,860,370.48</b>
<b>STEAM PWR GENERATION-MAINTENANCE</b>				
SPG-Maint-Supv. & Engineering	14,447.67	10,983.49	132%	18,828.81
SPG-Maint-Structures	11,025.50	12,120.15	91%	20,777.45
SPG-Maint-Boiler	55,358.21	172,109.98	32%	295,045.68
SPG-Maint-Electric Plt	81,690.83	73,651.83	111%	126,260.32
SPG-Maint-Steam Plant	1,489.60	6,616.40	23%	11,342.43
<b>Total SPG Maintenance Expense</b>	<b>164,011.81</b>	<b>275,481.85</b>	<b>60%</b>	<b>472,254.69</b>
<b>TRANSMISSION-OPERATIONS</b>				
TRSM-Oper-Station Equipment	0.00	2,305.31	0%	3,952.00
TRSM-Oper-Rent	3,749.88	644.84	582%	1,105.42
<b>Total TRSM Operation Expense</b>	<b>3,749.88</b>	<b>2,950.15</b>	<b>127%</b>	<b>5,057.42</b>
<b>TRANSMISSION-MAINTENANCE</b>				
TRSM-Maint-Station Equipment	0.00	665.00	0%	1,140.00
<b>Total TRSM Maintenance Expense</b>	<b>0.00</b>	<b>665.00</b>	<b>0%</b>	<b>1,140.00</b>
<b>OTHER POWER SUPPLY</b>				
OPSE-Syst. Ctrl & Load Dispa	4,575.29	5,557.16	82%	9,526.60
OPSE-Purchased Power-McN	0.00	0.00	0%	0.00
OPSE-McN REC Purch Exp	0.00	0.00	0%	0.00
<b>Total Other PS Expense</b>	<b>4,575.29</b>	<b>5,557.16</b>	<b>82%</b>	<b>9,526.60</b>
<b>CUSTOMER SVS &amp; INFORMATION</b>				
Cust Svs & Info-Cust Assist.	0.00	0.00	0%	0.00
Cust Svs & Info-Info Adv Exp	4,810.04	7,630.07	63%	13,080.17
<b>Total Cust Svs &amp; Info Expense</b>	<b>4,810.04</b>	<b>7,630.07</b>	<b>63%</b>	<b>13,080.17</b>
<b>SALES EXPENES</b>				
A&G - Sales Expense-REC's-McN	1,980.00	1,000.00	198%	2,000.00
<b>Total Sales Expense</b>	<b>1,980.00</b>	<b>1,000.00</b>	<b>198%</b>	<b>2,000.00</b>
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A&G-Salaries-McN	88,951.36	97,861.33	91%	167,762.28

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
A&G-Office Supplies & Exp-McN	17,417.04	30,022.93	58%	51,467.88
A&G-Outside Services-McN	20,070.74	26,137.09	77%	44,806.44
A&G-Property Insurance-McN	34,766.46	61,575.01	56%	105,557.16
A&G-Injuries & Damages-McN	9,616.76	24,048.64	40%	41,226.24
A&G-Safety Meetings&Equip-McN	9,727.74	0.00	0%	0.00
A&G-Environmental Compl.-McN	0.00	0.00	0%	0.00
A&G-Employee Ben Alloc-McN	10,929.24	11,151.35	98%	19,116.60
A&G-Employee Ben-Pension-McN	42,360.94	0.00	0%	0.00
A&G-Employee Ben-McN Health	57,419.78	0.00	0%	0.00
A&G-Employee Benefits-Sick-McN	0.00	0.00	0%	0.00
A&G-Employee Ben-Physical-McN	0.00	0.00	0%	0.00
A&G-Employee Ben-Life Ins-McN	476.47	0.00	0%	0.00
A&G-Employee Ben-Unempl Comp	0.00	0.00	0%	0.00
A&G-P/R Ovhd's Alloc-McN	(135,272.56)	0.00	0%	0.00
A & G - Employee Ben-McN Taxes	29,236.93	0.00	0%	0.00
A&G-Misc General Expense-McN	758.96	5,550.09	14%	9,514.44
A&G-Misc. - McN	(0.03)	0.00	0%	0.00
A&G-Maint of General Plant	36.48	2,196.70	2%	3,765.80
Total Administrative Expense	186,496.31	258,543.14	72%	443,216.84
<b>OTHER</b>				
Taxes- In Lieu of Property Taxes	154,449.61	154,449.61	100%	264,770.76
Depreciation Expense	282,916.69	282,916.69	100%	485,000.00
Amortization Expense	0.00	0.00	0%	0.00
Total Other Expenses	437,366.30	437,366.30	100%	749,770.76
<b>Total Operating Expenses</b>	<b>2,680,621.23</b>	<b>3,311,434.33</b>	<b>81%</b>	<b>5,556,416.96</b>
<b>Total Operating Income (Loss)</b>	<b>(282,701.76)</b>	<b>(282,701.92)</b>	<b>100%</b>	<b>(484,632.01)</b>
<b>NON-OPERATING (INCOME) &amp; EXPENSES</b>				
Interest Income-McN	(6,962.13)	(17,500.00)	40%	(30,000.00)
Gain/Loss -Disp of Utility Plt	0.00	0.00	0%	0.00
Misc. Non-Oper. Income-McN	0.00	0.00	0%	0.00
Gain-Disposition of Property	0.00	0.00	0%	0.00
Misc Non-Oper Inc-Realiz Gain	0.00	0.00	0%	0.00
Misc. Non-Operating Exp-McN	0.00	0.00	0%	0.00
Misc Non Oper Exp-McN Realiz L	0.00	0.00	0%	0.00
<b>Net Non-Operating (Inc) Exp</b>	<b>(6,962.13)</b>	<b>(17,500.00)</b>	<b>40%</b>	<b>(30,000.00)</b>
<b>FINANCING COSTS</b>				
Interest on LTD-McN Bonds	0.00	0.00	0%	0.00
Interest on LTD-McN Other	214.90	0.00	0%	0.00
Amortiz. of Debt Issue Exp-McN	0.00	214.90	0%	368.40
Amortiz. of Loss on Req. Debt	0.00	0.00	0%	0.00
Amort. of Premium-McN	0.00	0.00	0%	0.00
<b>Net Financing Expenses</b>	<b>214.90</b>	<b>214.90</b>	<b>100%</b>	<b>368.40</b>
<b>Total Non-Operating (Income) &amp; Exp</b>	<b>(6,747.23)</b>	<b>(17,285.10)</b>	<b>39%</b>	<b>(29,631.60)</b>
<b>Total Net Income (Loss)</b>	<b>(\$ 275,954.53)</b>	<b>(\$ 265,416.82)</b>	<b>104%</b>	<b>(\$ 455,000.41)</b>

**Vermont Public Power Supply Authority**  
**Highgate Project #3 - Profit & Loss Statement**  
**July 31, 2020**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Revenues</b>				
Sales for Resale-HG	\$ 0.00	\$ 0.00	0%	0.00
<b>Total Highgate Operating Revenue</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Expenses</b>				
TRSM-Oper-Supv&Engineer	0.00	0.00	0%	0.00
TRSM-Oper-Load Distance	0.00	0.00	0%	0.00
TRSM-Oper-Station Expense	0.00	0.00	0%	0.00
TRSM-Oper-Overhead Line Exp	0.00	0.00	0%	0.00
TRSM-Oper-Misc Transm Exp	0.00	0.00	0%	0.00
TRSM-Oper-HG RR Lease	0.00	0.00	0%	0.00
<b>Transmission Operating Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
TRSM-Maint-Supv. & Engineer	0.00	0.00	0%	0.00
TRSM-Maint-Structures	0.00	0.00	0%	0.00
TRSM-Maint-Station Equip.	0.00	0.00	0%	0.00
TRSM-Maint-Overhead Lines	0.00	0.00	0%	0.00
TRSM-Maint-Misc Transm Plt	0.00	0.00	0%	0.00
<b>Transmission Maintenance Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
A&G-Salaries-HG	0.00	0.00	0%	0.00
A&G-Office Supplies & Exp-HG	0.00	0.00	0%	0.00
A&G-Office Sup&Exp-HG Adm Allo	0.00	0.00	0%	0.00
A&G-Outside Services-HG	0.00	0.00	0%	0.00
A&G-Outside Svs-HG Admin Alloc	0.00	0.00	0%	0.00
A&G-Property Insurance-HG	0.00	0.00	0%	0.00
A&G-Injuries & Damages-HG	0.00	0.00	0%	0.00
A&G-Employee Benefits Alloc-HG	0.00	0.00	0%	0.00
A&G-Miscellaneous-HG	0.00	0.00	0%	0.00
A&G-Rents-HG	0.00	0.00	0%	0.00
A&G-Maint of General Plt-HG	0.00	0.00	0%	0.00
<b>Administrative &amp; General Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
Property Taxes-HG	0.00	0.00	0%	0.00
Depreciation Expense-HG	0.00	0.00	0%	0.00
<b>Other Operating Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Operating Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Operating Income (Loss)</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
Interest Income-HG	0.00	0.00	0%	0.00
Gain/Loss on Disp of Plt-HG	0.00	0.00	0%	0.00
<b>Net Non-Operating (Inc) Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
Other Interest Expense-HG	0.00	0.00	0%	0.00
Interest on LTD-HG Other	0.00	0.00	0%	0.00
Misc Financing Costs-Swp Rel	0.00	0.00	0%	0.00
<b>Total Financing Costs</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Net Earnings (Loss)</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>0%</b>	<b>\$ 0.00</b>

**Vermont Public Power Supply Authority**  
**Central Computer Project #4 - Profit & Loss Statement**  
**July 31, 2020**

	Year to Date Actual	Year to Date Budget	Actual as % of Bdgt	Annual Budget
<b>Revenues</b>				
<b>Total Project 4 Revenue</b>	<b>74,281.27</b>	<b>74,281.27</b>	100%	<b>127,339.32</b>
<b>Operating Expenses</b>				
A&G-C.Comp-Non Budgeted Exp.	0.00	0.00	0%	0.00
A&G-Computer/Printer Sup.-CC	700.00	700.00	100%	1,200.00
A&G-Comp Hard/Soft Maint.-CC	46,201.95	43,951.95	105%	75,346.20
A&G-Online Charges-CComp	1,063.02	1,063.02	100%	1,822.32
Computer Software/Hardware Pur	0.00	0.00	0%	0.00
A&G-Direct Charges Bdgt-C.Comp	0.00	0.00	0%	0.00
A&G-C.Computer Admin Expense	28,566.37	28,566.37	100%	48,970.92
Depreciation Expense-CC	0.00	0.00	0%	0.00
<b>Total Operating Expenses</b>	<b>76,531.34</b>	<b>74,281.34</b>	103%	<b>127,339.44</b>
<b>Financing Costs</b>				
Amortiz. of Debt Issue Exp.-CC	0.00	0.00	0.00	0.00
Other Interest Expense-CComp	0.00	0.00	0.00	0.00
<b>Total Financing Costs</b>	<b>0.00</b>	<b>0.00</b>	0%	<b>0.00</b>
<b>Total Project 4 Expense</b>	<b>76,531.34</b>	<b>74,281.34</b>	103%	<b>127,339.44</b>
<b>Net Earnings (Loss)</b>	<b>(\$ 2,250.07)</b>	<b>(\$ 0.07)</b>	<b>3214386%</b>	<b>(\$ 0.12)</b>

**Vermont Public Power Supply Authority**  
**Swanton Peaker Project #10 - Profit & Loss Statement**  
**July 31, 2020**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>REVENUES &amp; OTHER OPERATING INCOME</b>				
Sales for ReSale	1,769,860.62	1,769,860.64	100%	3,130,168.20
Other Revenues	0.00	0.00	0%	0.00
<hr/>				
<b>Total Revenues &amp; Operating Income</b>	<b>1,769,860.62</b>	<b>1,769,860.64</b>	<b>100%</b>	<b>3,130,168.20</b>

**OPERATING EXPENSES****OTHER PWR GENERATION-OPERATIONS**

OPG-Oper-Superv & Engineer Exp	0.00	0.00	0%	0.00
OPG-Oper-Fuel Oil Exp.	38,139.75	42,108.59	91%	149,276.75
OPG-Oper-Fuel Biodiesel Exp.	0.00	0.00	0%	0.00
OPG-Oper-Fuel-Dem Wtr-P10	0.00	9,500.00	0%	9,500.00
OPG-Fuel-Starting Diesel	0.00	350.00	0%	600.00
OPG-Oper-Generation Exp-Direct Lbr	35,010.70	30,134.43	116%	52,233.00
OPG-Oper-Generation Exp-Lbr	2,034.00	1,750.00	116%	3,000.00
OPG-Oper-Generation Exp-Direct Eng	0.00	11,538.45		20,000.00
OPG-Oper-Generation Exp-EngLbr	0.00	32,000.00	0%	62,000.00
OPG-Oper-Generation Exp-Materi	402.21	1,750.00	23%	3,000.00
OPG-Oper-Generation Exp-OH	10,236.69	10,224.39	100%	16,535.09
OPG-Oper-Generation Exp-OH-Eng	0.00	4,937.78		8,558.87
OPG-Oper-Misc & Other Gen	0.00	0.00	0%	0.00
OPG-Oper-Misc & Oth Gen-Materi	17.98	700.00	3%	1,200.00
OPG-Oper-Misc & Oth Gen-Tools	18.99	700.00	3%	1,200.00
OPG-Oper-Misc Gen-Comp. Har/So	2,661.22	1,920.00	139%	7,620.00
OPG-Oper-Misc Gen-Permits	686.40	1,395.00	49%	1,645.00
OPG-Oper-Misc Gen-Electric	62,466.03	53,300.00	117%	92,300.00
OPG-Oper-Misc Gen-Ben/Incident	0.00	350.00	0%	600.00
OPG-Oper-Misc Gen-Tel/Internet	3,458.36	3,360.00	103%	5,760.00
OPG-Oper-Misc Gen-Groundskeep	872.84	1,600.00	55%	2,700.00
OPG-Oper-Misc Gen-Transp Exp	0.00	350.00	0%	600.00
OPG-Oper-Misc Gen-Trash Rem	494.41	525.00	94%	900.00
OPG-Oper-Misc Gen-Water	1,450.12	1,365.00	106%	2,340.00
OPG-Oper-Misc Gen-Waste Tax	0.00	0.00	0%	0.00
OPG-Oper-Misc Gen-Waste Rem	4,506.00	7,400.00	61%	8,400.00
OPG-Oper-Misc Gen-CO2 System	6,946.40	8,740.00	79%	9,240.00
OPG-Oper-Misc & Oth Gen-Train	0.00	8,750.00	0%	15,000.00
OPG-Oper-Misc Gen-Security Sys	1,292.66	2,900.00	45%	3,900.00
OPG-Oper-Misc Gen-Mileage	236.91	700.00	34%	1,200.00
OPG-Oper-Misc Gen-Admin Supplies	0.00	175.00	0%	300.00
OPG-Oper-Misc Gen-Shop Supplies	60.72	350.00	17%	600.00
OPG-Rents-P10	0.00	350.00	0%	600.00
OPG-Rents-Land Lease-P10	883.82	883.82	100%	1,515.12
<hr/>				
<b>Total OPG-Operations Expense</b>	<b>171,876.21</b>	<b>240,107.46</b>	<b>72%</b>	<b>482,323.83</b>

**OTHER PWR GENERATION-MAINTENANCE**

OPG-Maint-Superv & Eng Exp.	0.00	0.00	0%	0.00
OPG-Maint-Structures	0.00	1,050.00	0%	1,800.00
OPG-Maint-Gen&Elec Eq-Dir Lbr	13,400.08	16,226.25	83%	28,125.46
OPG-Maint-Gen & Elec Eq-Labor	2,603.85	3,500.00	74%	34,266.00
OPG-Maint-Gen & Elec Eq-Materi	732.43	3,500.00	21%	6,000.00
OPG-Maint-Gen & Elec Eq-OH	4,374.97	5,505.43	79%	8,903.51
OPG-Maint-Misc. Oth Pwr Gen Pl	0.00	350.00	0%	600.00
<hr/>				
<b>Total OPG Maintenance Expense</b>	<b>21,111.33</b>	<b>30,131.68</b>	<b>70%</b>	<b>79,694.97</b>

**Vermont Public Power Supply Authority**  
**Swanton Peaker Project #10 - Profit & Loss Statement**  
**July 31, 2020**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>TRANSMISSION-OPERATIONS</b>				
Transm-Oper-Superv. & Eng.	0.00	0.00	0%	0.00
Transm-Oper-Station Exp.	0.00	350.00	0%	13,100.00
Transm-Oper-Ovhd Lines Exp	0.00	175.00	0%	300.00
Transm-Oper-Transm. by Others	8.09	140.00	6%	240.00
Transm-Oper-Misc Transm Exp	0.00	0.00	0%	0.00
Total TRSM Operation Expense	8.09	665.00	1%	13,640.00
<b>TRANSMISSION-MAINTENANCE</b>				
Transm-Maint-Structures	0.00	350.00	0%	600.00
Transm-Maint-Station Equip.	21,596.00	12,850.00	168%	29,440.00
Transm-Maint-Overhead Lines	0.00	350.00	0%	600.00
Transm-Maint-Undergrd Lines	0.00	0.00	0%	0.00
Transm-Maint-Misc. Transm.	0.00	0.00	0%	0.00
Total TRSM Maintenance Expense	21,596.00	13,550.00	159%	30,640.00
<b>OTHER POWER SUPPLY</b>				
OPSE-Power Supply - P10	0.00	0.00	0%	0.00
OPSE-Sys Cntrl & Ld Disp - P10	5,665.12	5,600.00	101%	9,600.00
Total Other PS Expense	5,665.12	5,600.00	101%	9,600.00
<b>REGIONAL MARKET EXPENSES</b>				
RME-Market Monitor/Compl-Gen	17,355.93	17,500.00	99%	30,000.00
RME-Market Monitor/Compl-L&O	0.00	0.00	0%	0.00
Total Reg. Market Expense	17,355.93	17,500.00	99%	30,000.00
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A & G - Salaries - P10	30,206.47	30,206.47	100%	51,782.48
A & G - Bank Fees - P10	0.00	0.00	0%	0.00
A & G-General Office Supp- P10	0.00	0.00	0%	0.00
A&G-Local Mileage Exp-P10	4.49	350.00	1%	600.00
A&G-Local Meals Exp-P10	14.57	175.00	8%	300.00
A & G-Utilities- P10	0.00	0.00	0%	0.00
A & G-Telephone- P10	0.00	0.00	0%	0.00
A&G-Groundskpg/Snow Rem-P10	0.00	0.00	0%	0.00
A&G-Online Charges-P10	0.00	0.00	0%	0.00
A&G-Comp Soft/Hardware-P10	264.99	0.00	0%	0.00
A&G-Office Supp&Exp - P10 Alloc	10,834.32	10,834.32	100%	18,573.12
A&G-Outside Svs Legal-P10	1,990.50	3,500.00	57%	6,000.00
A&G-Outside Svs Other-P10	25,400.00	33,600.00	76%	51,300.00
A&G-Outside Svs-P10 Admin	6,766.69	6,766.69	100%	11,600.00
A&G-Property Insurance-P10	221,550.00	138,000.00	161%	138,000.00
A&G-Prop Insurance-P10 Admin	0.00	0.00	0%	0.00
A&G-Pollution Insurance-P10	7,892.23	7,892.23	100%	7,892.23
A&G-General Liability Ins-P10	21,260.44	22,240.68	96%	19,884.52
A&G-Injuries & Damages-P10	15,111.37	15,142.62	100%	13,546.32
A&G-P10 W/C Insurance	2,521.56	3,153.01	80%	2,344.79
A&G-P10 Safety Mtg & WC Related	222.20	1,400.00	16%	2,400.00
A&G-Employee Benefits-P10	11,361.42	11,361.42	100%	19,476.75
A&G-Misc Gen Exp-P10	0.00	0.00	0%	0.00
A&G - Conferences/Training-P10	0.00	0.00	0%	0.00
A&G Misc - P10	0.00	0.00	0%	0.00
Total Administrative Expense	355,401.25	284,622.44	125%	343,700.21



Vermont Public Power Supply Authority  
Swanton Peaker Project #10 - Profit & Loss Statement  
July 31, 2020

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>OTHER OPERATING EXPENSES</b>				
Property Taxes	0.00	0.00	0%	22,000.00
Depreciation Expense	668,385.83	666,589.00	100%	1,142,724.00
Amortization Expense	0.00	0.00	0%	0.00
Total Other Operating Expenses	668,385.83	666,589.00	100%	1,164,724.00
<b>Total Operating Expenses</b>	<b>1,261,399.76</b>	<b>1,258,765.58</b>	<b>100%</b>	<b>2,154,323.01</b>
<b>Net Operating Income (Loss)</b>	<b>508,460.86</b>	<b>511,095.06</b>	<b>99%</b>	<b>975,845.19</b>
<b>NON-OPERATING INCOME/EXPENSES</b>				
<b>OTHER NON-OPERATING (INCOME) EXPENSE</b>				
Insurance Settlement (net)	0.00	0.00	0%	0.00
Net Realized (Gain)Loss on Investmen	0.00	0.00	0%	0.00
Interest Income-P10	(28,374.42)	(28,000.00)	101%	(48,000.00)
Net Other Non-Operating (Inc) Exp	(28,374.42)	(28,000.00)	101%	(48,000.00)
<b>FINANCING COSTS</b>				
Interest on LTD-P10 Bonds	379,622.91	379,622.91	100%	634,096.86
Interest on LTD-P10 Other	0.00	223.44	0%	383.00
Other Interest Expense-P10	223.44	0.00	0%	0.00
Amortiz of Debt Issue Exp	0.00	0.00	0%	0.00
Amortiz of Loss on Req Debt	0.00	0.00	0%	0.00
Amortiz. of Premium-P10	0.00	0.00	0%	0.00
Net Financing Expenses	379,846.35	379,846.35	100%	634,479.86
<b>Total Non-Operating (Inc) Exp</b>	<b>351,471.93</b>	<b>351,846.35</b>	<b>100%</b>	<b>586,479.86</b>
<b>TOTAL P10 INCOME (LOSS)</b>	<b>\$ 156,988.93</b>	<b>\$ 159,248.71</b>	<b>99%</b>	<b>\$ 389,365.33</b>

**Vermont Public Power Supply Authority**  
**Renewable Energy Standards Project - Profit & Loss Statement**  
**July 31, 2020**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Revenues</b>				
Service Revenue-RES Tier 1	\$ 13,165.32	\$ 13,165.32	100%	22,569.12
Service Revenue-RES Tier 2	107,596.39	107,596.37	100%	184,450.92
Service Revenue-RES Tier 3	64,742.13	64,742.02		
Service Rev-RES Tier 3-SOVt Incentive	10,500.00	0.00	0%	110,986.32
<b>Total RES Operating Revenue</b>	<b>196,003.84</b>	<b>185,503.71</b>	<b>106%</b>	<b>318,006.36</b>
<b>Operating Expenses</b>				
<b>OTHER POWER SUPPLY EXPENSE</b>				
OPSE-REC Purchase Exp-Tier 1	0.00	11,057.76	0%	18,956.16
OPSE-REC Purchase Exp-Tier 2	30,810.00	90,371.96	34%	154,923.36
OPSE-REC Purchase Exp-Tier 3	0.00	0.00	0%	0.00
<b>Total Other Power Supply Expense</b>	<b>30,810.00</b>	<b>101,429.72</b>	<b>30%</b>	<b>173,879.52</b>
<b>TRANSMISSION EXPENSE</b>				
<b>Total Transmission Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>CUSTOMER SVS &amp; INFORMATION</b>				
Cust Svs & Info-RES I&A-T1	0.00	0.00	0%	0.00
Cust Svs & Info-RES I&A-T2	0.00	0.00	0%	0.00
Cust Svs & Info-RES I&A-T3	1,544.50	6,620.81	23%	11,350.00
<b>Total Cust Svs &amp; Info Expense</b>	<b>1,544.50</b>	<b>6,620.81</b>	<b>23%</b>	<b>11,350.00</b>
<b>SALES EXPENES</b>				
Sales-Misc Sales Exp-RES T1	0.00	0.00	0%	0.00
Sales-Misc Sales Exp-RES T2	0.00	0.00	0%	0.00
Sales-Misc Sales Exp-RES T3	23,750.00	39,998.70	59%	68,569.20
Sales-Misc Sales Exp-RES T3-SOVt	13,000.00	0.00	0%	0.00
<b>Total Sales Expense</b>	<b>36,750.00</b>	<b>39,998.70</b>	<b>92%</b>	<b>68,569.20</b>
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A&G-Salaries-AdminAlloc-RES T1	1,071.91	1,071.91	100%	1,837.56
A&G-Salaries-AdminAlloc-RES T2	8,760.22	8,760.22	100%	15,017.52
A&G-Salaries-AdminAlloc-RES T3	5,271.14	5,271.14	100%	9,036.24
A&G-Office Supplies & Ex-REST1	0.00	0.00	0%	0.00
A&G-Office Supplies & Ex-REST2	0.00	0.00	0%	0.00
A&G-Office Supplies & Ex-REST3	0.00	583.31	0%	1,000.00
A&G Computer Hard/Soft-RES T3	6,300.00	6,300.00	100%	10,800.00
A&G-O S&E-AdminAlloc-RES T1	392.42	392.42	100%	672.72
A&G-O S&E-AdminAlloc-RES T2	3,206.91	3,206.91	100%	5,497.56
A&G-O S&E-AdminAlloc-RES T3	1,929.62	1,929.62	100%	3,307.92
A&G-Outside Svs-Legal RES-T1	0.00	0.00	0%	0.00
A&G-Outside Svs-Legal RES-T2	0.00	0.00	0%	0.00

**Vermont Public Power Supply Authority**  
**Renewable Energy Standards Project - Profit & Loss Statement**  
**July 31, 2020**

A&G-Outside Svs-Legal RES-T3	2,729.50	875.00	312%	1,500.00
A&G-Outside Svs-RES T1 Admin	240.10	240.10	100%	411.60
A&G-Outside Svs-RES T2 Admin	1,962.38	1,962.38	100%	3,364.08
A&G-Outside Svs-RES T3 Admin	1,180.76	1,180.76	100%	2,024.16
A&G-Employee Ben Alloc-RES T1	403.13	403.13	100%	691.08
A&G-Employee Ben Alloc-RES T2	3,294.90	3,294.90	100%	5,648.40
A&G-Employee Ben Alloc-RES T3	1,982.61	1,982.61	100%	3,398.76

<b>Total Administrative Expense</b>	<b>38,725.60</b>	<b>37,454.41</b>	<b>103%</b>	<b>64,207.60</b>
<b>OTHER</b>				
Taxes- In Lieu of Property Taxes	0.00	0.00	0%	0.00
Depreciation Expense	0.00	0.00	0%	0.00
Amortization Expense			0%	0.00
<b>Total Other Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>

<b>Total Operating Expenses</b>	<b>107,830.10</b>	<b>185,503.64</b>	<b>58%</b>	<b>318,006.32</b>
<b>Total Operating Income (Loss)</b>	<b>88,173.74</b>	<b>0.07</b>	<b>0%</b>	<b>0.04</b>

**NON-OPERATING (INCOME) & EXPENSES**

Interest Income	0.00	0.00	0%	0.00
Misc Non-Operating Income	0.00	0.00	0%	0.00
Misc Non-Operating Expense	0.00	0.00	0%	0.00

<b>Net Non-Operating (Inc) Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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**FINANCING COSTS**

Interest on LTD	0.00	0.00	0%	0.00
Other Interest Expense	0.00	0.00	0%	0.00
Amortization Debt Issue Exp	0.00	0.00	0%	0.00
Amortization Debt Premium	0.00	0.00	0%	0.00

<b>Net Financing Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Non-Operating (Income) &amp; Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Net Income (Loss)</b>	<b>\$ 88,173.74</b>	<b>\$ 0.07</b>	<b>125962486%</b>	<b>\$ 0.04</b>
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Vermont Public Power Supply Authority  
 Net Metering Project - Profit & Loss Statement  
 July 31, 2020

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Revenues</b>				
Service Revenue-Net Metering	\$ 43,141.77	\$ 43,141.70	100%	73,957.20
<b>Total Net Metering Operating Revenue</b>	<b>43,141.77</b>	<b>43,141.70</b>	<b>100%</b>	<b>73,957.20</b>
<b>Operating Expenses</b>				
OTHER POWER SUPPLY EXPENSE	0.00	0.00	0%	0.00
<b>Total Other Power Supply Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
TRANSMISSION EXPENSE	0.00	0.00	0%	0.00
<b>Total Transmission Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
CUSTOMER SVS & INFORMATION	0.00	0.00	0%	0.00
<b>Total Cust Svs &amp; Info Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
SALES EXPENSES	0.00	0.00	0%	0.00
<b>Total Sales Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A&G-Salaries-Admin Alloc-NM	21,793.17	21,793.21	100%	37,359.76
A&G-Local Mileage Reimb-NM	68.54	291.65	24%	500.00
A&G-OS&E-Admin Alloc-NM	7,977.90	7,977.90	100%	13,676.40
A&G-Outside Services-Legal-NM	0.00	0.00	0%	0.00
A&G-Outside Svs-Other-NM	0.00	0.00	0%	0.00
A&G-Outside Svs-NM Admin	4,882.01	4,882.01	100%	8,369.11
A&G-Employee Benefits Alloc-NM	8,197.00	8,197.00	100%	14,051.99
A&G-Misc - NM	0.00	0.00	0%	0.00
<b>Total Administrative Expense</b>	<b>42,918.62</b>	<b>43,141.77</b>	<b>99%</b>	<b>73,957.26</b>
<b>OTHER</b>				
Taxes- In Lieu of Property Taxes	0.00	0.00	0%	0.00
Depreciation Expense	0.00	0.00	0%	0.00
Amortization Expense	0.00	0.00	0%	0.00
<b>Total Other Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Operating Expenses</b>	<b>42,918.62</b>	<b>43,141.77</b>	<b>99%</b>	<b>73,957.26</b>
<b>Total Operating Income (Loss)</b>	<b>223.15</b>	<b>(0.07)</b>	<b>-318786%</b>	<b>(0.06)</b>

Vermont Public Power Supply Authority  
Net Metering Project - Profit & Loss Statement  
July 31, 2020

**NON-OPERATING (INCOME) & EXPENSES**

Interest Income	0.00	0.00	0%	0.00
Misc Non-Operating Income	0.00	0.00	0%	0.00
Misc Non-Operating Expense	0.00	0.00	0%	0.00

<b>Net Non-Operating (Inc) Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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**FINANCING COSTS**

Interest on LTD	0.00	0.00	0%	0.00
Other Interest Expense	0.00	0.00	0%	0.00
Amortization Debt Issue Exp	0.00	0.00	0%	0.00
Amortization Debt Premium	0.00	0.00	0%	0.00

<b>Net Financing Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Non-Operating (Income) &amp; Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Net Income (Loss)</b>	<b>\$ 223.15</b>	<b>(\$ 0.07)</b>	<b>-318786%</b>	<b>(\$ 0.06)</b>
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**Vermont Public Power Supply Authority**  
**AMI Project - Profit & Loss Statement**  
**July 31, 2020**

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Revenues</b>				
Service Revenue-AMI	\$ 152,288.40	\$ 152,288.42	100%	152,288.42
<b>Total Net Metering Operating Revenue</b>	<b>152,288.40</b>	<b>152,288.42</b>	<b>100%</b>	<b>152,288.42</b>
<b>Operating Expenses</b>				
<b>OTHER POWER SUPPLY EXPENSE</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Other Power Supply Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>TRANSMISSION EXPENSE</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Transmission Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>CUSTOMER SVS &amp; INFORMATION</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Cust Svs &amp; Info Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>SALES EXPENES</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Sales Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A&G-Salaries-Admin Alloc-AMI	45,309.66	45,309.66	100.00	45,309.66
A&G-Office Supplies & Expense	0.00	12,000.00	0.00	12,000.00
A&G-Local Mileage Exp-AMI	0.00	1,200.00	0.00	1,200.00
A&G-Computer Hard/Soft Equip	0.00	0.00	0.00	0.00
A&G-Office Sup & Exp-Admin-AMI	16,586.58	16,586.58	100.00	16,586.58
A&G-Outside Svs-Legal AMI	0.00	0.00	0.00	0.00
A&G-Outside Services-Other AMI	7,500.00	50,000.00	15.00	50,000.00
A&G-Outside Svs-Admin-AMI	10,150.02	10,150.02	100.00	10,150.02
A&G-Employee Benefit-Admin-AMI	17,042.16	17,042.16	100.00	17,042.16
A&G-Misc-AMI	0.00	0.00	0.00	0.00
<b>Total Administrative Expense</b>	<b>96,588.42</b>	<b>152,288.42</b>	<b>63%</b>	<b>152,288.42</b>
<b>OTHER</b>				
Taxes- In Lieu of Property Taxes	0.00	0.00	0%	0.00
Depreciation Expense	0.00	0.00	0%	0.00
Amortization Expense	0.00	0.00	0%	0.00
<b>Total Other Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Operating Expenses</b>	<b>96,588.42</b>	<b>152,288.42</b>	<b>63%</b>	<b>152,288.42</b>
<b>Total Operating Income (Loss)</b>	<b>55,699.98</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>

Vermont Public Power Supply Authority  
AMI Project - Profit & Loss Statement  
July 31, 2020

**NON-OPERATING (INCOME) & EXPENSES**

Interest Income	0.00	0.00	0%	0.00
Misc Non-Operating Income	0.00	0.00	0%	0.00
Misc Non-Operating Expense	0.00	0.00	0%	0.00

<b>Net Non-Operating (Inc) Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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**FINANCING COSTS**

Interest on LTD	0.00	0.00	0%	0.00
Other Interest Expense	0.00	0.00	0%	0.00
Amortization Debt Issue Exp	0.00	0.00	0%	0.00
Amortization Debt Premium	0.00	0.00	0%	0.00

<b>Net Financing Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Non-Operating (Income) &amp; Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Net Income (Loss)</b>	<b>\$ 55,699.98</b>	<b>\$ 0.00</b>	<b>0%</b>	<b>\$ 0.00</b>
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Vermont Public Power Supply Authority  
GIS Project - Profit & Loss Statement  
July 31, 2020

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
<b>Revenues</b>				
Service Revenue-GIS/Mapping	\$ 138,127.90	\$ 138,114.05	100%	276,227.80
<b>Total Net Metering Operating Revenue</b>	<b>138,127.90</b>	<b>138,114.05</b>	<b>100%</b>	<b>276,227.80</b>
<b>Operating Expenses</b>				
<b>OTHER POWER SUPPLY EXPENSE</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Other Power Supply Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>TRANSMISSION EXPENSE</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Transmission Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>CUSTOMER SVS &amp; INFORMATION</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Cust Svs &amp; Info Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>SALES EXPENES</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Sales Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>ADMINISTRATIVE &amp; GENERAL</b>				
A&G-Salaries-GIS Direct	14,806.00	36,666.68	40%	70,000.00
A&G-Salaries-Admin Alloc-GIS	22,654.85	22,654.85	100%	45,309.70
A&G-OS&E-Local Mileage-GIS	47.15	250.00	19%	500.00
A&G-OS&E-Comp H/S Maint-GIS	48,994.90	48,000.00	102%	48,000.00
A&G-Utilities-Telephone-GIS	452.48	750.00	60%	1,500.00
A&G-OS&E-Office Furn&Equip-GIS	0.00	4,000.00	0%	4,000.00
A&G-OS&E-Computer Hard/Soft-GI	1,650.82	4,600.00	36%	4,600.00
A&G-OS&E-Admin Alloc-GIS	8,293.25	8,293.25	100%	16,586.50
A&G-Outside Services Other-GIS	19,685.00	6,000.00	328%	7,500.00
A&G-Outside Sv-Admin Alloc-GIS	5,075.00	5,075.00	100%	10,150.00
A&G-Empl Benefis- Direct-GIS	4,219.68	15,419.35	27%	30,838.70
A&G-Empl Benefis-AdmAlloc-GIS	8,521.45	8,521.45	100%	17,042.90
A&G-OS&E-Gen Advertising-GIS	433.50	2,200.00	20%	2,200.00
A&G-OS&E-Conference & Trav-GIS	0.00	4,000.00	0%	8,000.00
<b>Total Administrative Expense</b>	<b>134,834.08</b>	<b>166,430.58</b>	<b>81%</b>	<b>266,227.80</b>
<b>OTHER</b>				
Taxes- In Lieu of Property Taxes	0.00	0.00	0%	0.00
Depreciation Expense	496.12	0.00	0%	0.00
Amortization Expense	0.00	0.00	0%	0.00
<b>Total Other Expenses</b>	<b>496.12</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
<b>Total Operating Expenses</b>	<b>135,330.20</b>	<b>166,430.58</b>	<b>81%</b>	<b>266,227.80</b>
<b>Total Operating Income (Loss)</b>	<b>2,797.70</b>	<b>(28,316.53)</b>	<b>-10%</b>	<b>10,000.00</b>

Vermont Public Power Supply Authority  
GIS Project - Profit & Loss Statement  
July 31, 2020

**NON-OPERATING (INCOME) & EXPENSES**

Interest Income	0.00	0.00	0%	0.00
Misc Non-Operating Income	0.00	0.00	0%	0.00
Misc Non-Operating Expense	0.00	0.00	0%	0.00

<b>Net Non-Operating (Inc) Exp</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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**FINANCING COSTS**

Interest on LTD	0.00	0.00	0%	0.00
Other Interest Expense	0.00	0.00	0%	0.00
Amortization Debt Issue Exp	0.00	0.00	0%	0.00
Amortization Debt Premium	0.00	0.00	0%	0.00

<b>Net Financing Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Non-Operating (Income) &amp; Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0%</b>	<b>0.00</b>
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<b>Total Net Income (Loss)</b>	<b>\$ 2,797.70</b>	<b>(\$ 28,316.53)</b>	<b>-10%</b>	<b>\$ 10,000.00</b>
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## Memorandum

To: Board of Directors  
From: Crystal Currier, Controller  
Date: September 2, 2020  
Subject: **Agenda Item #7** - Audit RFP Results & Acceptance

As previously discussed at the June Board of Directors meeting, IVPPSA solicited bids for audit services in 2017 and subsequently selected Graham & Graham as the audit firm and entered into a three (3) year term for those services. That term has ended with the 2019 audit that was completed in April of this year, I sent out an RFP soliciting bids for an another three (3) year term. The firms and the responses are listed below.

Firm	Response Y/N	Interest Y/N	Estimated Cost	Notes
Sullivan Powers & Co.	Y	N	NA	not in a position to provide services
Mudgett, Jennett & Krogh-Wisner, P.C.	N	NA	NA	
Graham & Graham PC	Y	Y	\$37Kavg	proposal attached
Gallagher, Flynn & Company, LLP	N	NA	NA	
AM Peisch & Company LLP	Y	N	NA	not enough resources
Davis & Hodgdon Associates, CPAs. PLC	N	NA	NA	
KPMG	N	NA	NA	
McSoley, McCoy & Co.	N	NA	NA	
Grippin Donlan Pinkham	N	NA	NA	
Bilodeau, Wells & Company, PC	N	NA	NA	
Kittell, Branagan & Sargent	Y	N	NA	too many of members creating potential conflict
Pieciak & Company, PC	Y	Y	NA	interested but can't meet deadline
JMM & Associates	Y	N	NA	doesn't do munis
Fothergill Segale & Valley	N	NA	NA	
Pace & Hawely	Y	N	NA	previous commitments
BerryDunn	N	NA	NA	

As noted in the data above, the RFP was sent to sixteen (16) firms, seven (7) responses were received and only one (1) proposal was received. That proposal from Graham and Graham is attached.

### Motion:

Motion to accept the three-year audit proposal as presented by Graham & Graham for CY audits 2020-2022.

# Graham & Graham, P.C.

Certified Public Accountants

Business Advisors & Management Consultants

**The Solution Group**

## Proposal for Audit Services



Steven Veroff, CPA, Director of Assurance Services  
Graham and Graham, PC  
[sveroff@grahamcpa.com](mailto:sveroff@grahamcpa.com)

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May 27, 2020

Vermont Public Power Supply Authority  
Crystal Currier, Controller  
5195 Waterbury-Stowe Rd.  
Waterbury Center, Vermont 05677

Dear Ms. Currier:

The management and staff of Graham and Graham, PC are pleased to present our proposal to provide professional services to Vermont Public Power Supply Authority, Inc. ("VPPSA"). Our Firm has experienced continuous growth and success as we meet and exceed client expectations. Our overall goal is to provide responsive, innovative services of the highest quality to our clients.

We understand we add value to the audit by providing specialized resources and technical proficiency. Our expertise in governmental auditing and accounting combined with our vast access to resources empowers us to solve challenges encountered during the audit. Our highly trained engagement team will maintain a knowledgeable, yet, non-intrusive, approach to the audit, and in this way, deliver an audit of exceptional quality requiring few disruptions in the conduct of the VPPSA's on-going operations.

I can attest that our firm is a legal entity in the States of New Hampshire, Vermont and Maine and has performed continuous CPA services for over thirty years. We are members in good standing of both the American Institute and Vermont and New Hampshire Societies of Certified Public Accountants.

As a Director listed on this proposal, I am authorized to make representations for and to bind our firm. Should you have any questions, I encourage you to contact me via telephone at (603) 225-2944 or email at [sveroff@grahamcpa.com](mailto:sveroff@grahamcpa.com). You may also contact Jeffrey Graham at (603) 527-8721 or email at [jeff@grahamcpa.com](mailto:jeff@grahamcpa.com).

I am confident that our proposal addresses your needs and look forward to discussing and reviewing its content with you. We would welcome this opportunity to differentiate our Firm from our competition and further discuss our approach in providing quality service.

This proposal is a firm and irrevocable offer for a period of 60 days.

Sincerely,

*Steven Veroff, CPA*

Steven Veroff, CPA  
Director of Assurance Services

*Jeffrey A. Graham, CPA*

Jeffrey A. Graham, CPA  
President and Owner

## COMPANY PROFILE

**Graham and Graham, PC** was founded in 1982 and is a locally established and respected full-service accounting and auditing firm offering audit, tax, consulting, litigation support, business valuations, and forensic accounting services. Our commitment to our clients has enabled the firm continued growth and success at developing and maintaining strong professional relationships.

We separate ourselves from our competition by:

- ◇ Extensive Partner involvement on each engagement
- ◇ Manager and/or Partner always on-site during fieldwork
- ◇ Consistent and experienced staff
- ◇ Timeliness of communications
- ◇ Proactive approach in addressing complex issues early in the engagement
- ◇ Availability to clients as a specialized resource
- ◇ Professionalism with understanding

Our industry specialization includes governmental, not-for-profit, for-profit, and retirement plans. Our clients range from small organizations to organizations with over \$50 million in assets. As voluntary members of the American Institute of Certified Public Accountants, the New Hampshire and Vermont Government Finance Officers Association we have access to the latest developments in accounting, auditing, and the various rules and regulations that affect the different industries. Membership in these centers provides our firm with additional resources designed to enhance our audit quality and apply best audit practices to our engagements.

Our firm consists of well-trained professionals; we have full time governmental audit staff members, of which three (3) will be dedicated to the VPPSA should services be awarded to our firm. We have office locations in Laconia, New Hampshire and Springfield, Vermont. While the majority of audit engagements are performed out of the Laconia office, our various office locations allow us to expand our services throughout the States of New Hampshire, Vermont and Maine. If awarded, work will be performed out of our Springfield, Vermont office.

Our firm undergoes a peer review every three years as established by the American Institute of Certified Public Accountants. Our last peer review was completed in June 2019 and resulted in a pass rating (the highest rating possible) on our system of quality control for accounting and auditing. This quality control review included a review of specific government engagements. A copy of this peer review report is included in this proposal for your review.

We have NOT had any Field Reviews, Desk Reviews or Disciplinary actions taken against, or pending against, the Firm.

We believe our unique combination of technical expertise, combined with our philosophy of total client commitment throughout all phases of the engagement provides our clients the highest quality service and products available.

## SCOPE OF SERVICES

We understand that the VPPSA requires timely audit services and we are committed to meeting all terms, conditions, and requirements as addressed in the request for proposal. With our experience and expertise, we fully understand the audit requirements, as well as your expectations.

The period covered will be for the year ending December 31, 2020 with the option to extend the contract for four (4) additional years. It is our understanding the scope of services will be the following:

1. Audit the financial statements and submit our audit report to the management and Board of Directors of the VPPSA, to include all applicable footnotes.
2. Assist, review and provide recommendations to the VPPSA in their preparation of the annual financial report, to be completed and delivered to the VPPSA on or before March 15, 2021.
3. Prepare Management letter, to include a statement of audit findings and recommendations affecting the financial statements, internal control structure, accounting procedures, accounting systems, legality of actions, and any instances of non-compliance with laws and regulations and any other material matters.
4. Attend VPPSA Board of Directors meeting when audited financial statements are presented.

The audit will be performed in accordance with generally accepted accounting principles; generally accepted auditing standards as set forth by the *American Institute of Certified Public Accountants*; Generally Accepted Government Auditing Standards ("Yellow Book") as set forth by the *U.S. Government Accountability Office* and the standards applicable to single audits contained in *Government Auditing Standards*, issued by the OMB in accordance with the Uniform Guidance.



## THE AUDIT APPROACH

Our audit process begins with the assignment of staff to the engagement. Our engagement team has the expertise to provide a level of service desired and deserved by your organization. Our engagements are supervised by the engagement partner and the manager. As high-level involvement is vital to a quality audit, the partner and manager's time will account for approximately 30% of total hours spent on the engagement. Our team's approach is to be efficient yet non-intrusive.

We believe on-going communication throughout the entire audit will ensure that all aspects of the audit are thoroughly addressed. We encourage regular communications throughout the year, not just during fieldwork. As such, we do not anticipate any potential audit problems to arise during our engagement.

### Audit Planning

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Our audit planning process includes a risk assessment of the VPPSA and review of the control environment. We begin with a pre-planning meeting to ensure that management's expectations and our expectations are communicated prior to commencing the audit. We will confirm our understanding of the engagement deadlines and ensure these are met timely. In addition, we will provide a list and samples of schedules specifically tailored to the VPPSA to aid the VPPSA's staff in preparing schedules and providing audit documentation.

### Risk Assessment

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As part of our extensive planning phase, the engagement team will discuss with management and the VPPSA Council issues surrounding the applicable industry, the VPPSA's internal & external environment, significant events, as well as economic, political, and social factors to determine and document areas of risk. Once areas of risk have been identified, the next process will be to review the control environment.

### Control Environment

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We will document and test the following control processes to evaluate their effectiveness in preparing reliable financial statements:

- ◇ Disbursements
- ◇ Receipts
- ◇ Payroll
- ◇ Financial reporting
- ◇ Journal entry process
- ◇ IT and general computer controls
- ◇ Grant compliance and reporting

Based on our understanding of the VPPSA's risks and control environment, we will design our substantive procedures and communicate our audit approach to management. As part of our review and documentation of the control environment, we may have recommendations for enhancing controls and/or efficiencies. These recommendations will be discussed with management prior to any comments included in a formal management letter.

### Substantive Procedures

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Substantive audit procedures are designed based on our risk assessment process. Complex and high-risk accounts will be identified early in the audit process and these accounts will be assigned to the manager and/or partner for actual testing. Our substantive audit procedures will include the following:

- ◇ Tests of account details
- ◇ Analytical procedures
- ◇ Use of data analysis software
- ◇ Unpredictability tests
- ◇ Review of management's estimates
- ◇ Review of subsequent events and contingencies

### Audit Sampling

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Audit sampling provides the auditor an appropriate basis on which to conclude on an audit area by examining evidence from a sample of a population. We utilize both statistical and non-statistical sampling techniques as described in the AICPA's Audit Sampling Guide, depending on the type of testing being performed. Internal control, substantive and compliance testing samples are generally selected using non- statistical techniques. Sample sizes are determined by risk assessment and nature of the population. We may use statistical sampling to assist with forensic testing in areas which have a higher risk of misstatement due to fraud.

### Preparation of Audit Report and Review

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Audit workpapers are reviewed throughout the audit by the manager and engagement partner. Before we leave your offices, the file will be substantially reviewed and any issues will be discussed and resolved. The financial statements are prepared by the audit manager. All reports are reviewed by the engagement partner and concurring partner. Upon approval, we will issue drafts of all reports based on a predetermined schedule allowing adequate time for review and distribution of reports.

### Technological Advantages

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We utilize the latest technology, including virtual servers, smart devices and online libraries to provide us with the most up-to-date information to better serve our clients. First, our online client portal ShareFile gives us the capability of sending and receiving information to and from our clients faster and more securely. As portals are encrypted and use password protection to ensure that data can only be viewed by the appropriate client, we are dedicated to protecting the VPPSA's confidential information.

Furthermore, we streamline our audit process and organize support documents through use of the Thomson Reuters program Workpapers CS. By effectively reviewing large volumes of data through these programs, we are able to develop a better understanding and gain a broader view of the VPPSA. These technologies enable us to increase both the scope of our engagement and the reliability of our audit opinion more efficiently, as a larger amount of information can be processed, analyzed and interpreted in a short time frame.

#### Work Paper Retention

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Audit programs, workpapers and reports will be retained for a period of seven (7) years after the completion of the audit and made available for inspection by the VPPSA, oversight or cognizant agencies, parties designated by the federal or state governments, auditors of entities of which the VPPSA is a sub recipient of grant funds, and additional auditors if requested by VPPSA management.

## THE ENGAGEMENT TEAM

The team assigned to perform the audit of the VPPSA is composed of highly trained professionals with extensive experience in audit engagements. Our small, efficient working group will maintain a knowledgeable, yet non-intrusive, approach to the audit, and in this way, deliver an audit of exceptional quality requiring few disruptions in the conduct of the VPPSA's on-going operations. The technical qualifications of Graham and Graham, PC personnel selected for this audit ensures service of the highest quality. Engagements at Graham and Graham, PC, are conducted under the supervision of an engagement partner and manager, which assures that we maintain quality control standards and meet all professional client requirements.

We propose the following audit team:

JEFFREY A. GRAHAM, CPA, CFF, CSEP Engagement Partner  
 STEVEN VEROFF, CPA, Director  
 TO BE DETERMINED, Staff/senior auditor

Our commitment to governmental accounting is further amplified by our involvement with respected organizations. The proposed Engagement Partner, Jeffrey A. Graham, and Steven Veroff, Director, are presenters for the New Hampshire and Vermont Government Finance Officers Association as well as the Vermont Municipal Clerks' and Treasurers' Association and New Hampshire Municipal Association. In addition, Jeffrey Graham is a current New Hampshire Board of Accountancy Board member and past Board member of the Vermont Board of Public Accountancy, the New England Peer Review Committee, and adjunct professor for Southern New Hampshire University and Institute of Forensic Accounting and Forensic Examination Certificate Program.

The Firm's Principal, Director and managers have been involved in the implementation of GASB financial reporting requirements. In addition to auditing and assisting with the preparation of GASB financial statements, all audit partners and managers have provided hands-on assistance with implementation of new GASB financial reporting requirements.

The U.S. Government Accountability Office's Yellow Book, Government Auditing Standards, requires auditors to maintain their professional competence through continuing professional education. Each auditor performing work under generally accepted government accounting standards is required to complete a minimum of 80 hours of continuing professional education every two years; 24 of the 80 hours must be directly related to government auditing or the government environment. All of our staff exceeds the required educational hours, receiving governmental and OMB Uniform Guidance-specific training throughout the year through external conferences hosted by the New Hampshire and Vermont Societies of Public Accounting and internal training provided by our Firm. Furthermore, all engagement team members, including audit staff, have current OMB Uniform Guidance single audit experience. *All staff receives governmental and Uniform Guidance-specific training throughout the year through external conferences hosted by the NHSCPA and VTSCPA as well as other recognized CPE providers in addition to internal training provided by our Firm.*

Our Firm takes great pride in not only selecting high quality staff members, but also in providing them an environment designed for their success and betterment. With that said, all audit management staff have been with our firm for no less than five years. We believe our history of low staff turnover is an asset we are proud to present to the VPPSA.

## JEFFREY A. GRAHAM, CPA, CFF, CSEP

Engagement Partner

Jeffrey's professional career includes more than 30 years of public and private accounting experience, of which more than 30 years has been heavily concentrated on audits of governmental, not-for-profits, employee benefit plans and privately held businesses throughout Vermont and New Hampshire. Jeffrey will serve as partner in charge for the audit engagement.

INDUSTRY EXPERIENCE:	Special Districts Cities Not-for-profit Privately held businesses Retirement/employee benefit plans Single Audit
OTHER EXPERTISE:	GASB implementation Board of Director/Selectmen training Federal Uniform Guidance grant compliance Federal and State compliance and financial reporting Fraud investigations Internal control implementation Peer reviews
RELEVANT ENGAGEMENT EXPERIENCE:	Vermont Public Power Supply Authority Vermont Telecommunications Authority Hardwick Electric Department, Vermont Town of Wardsboro, Vermont Village of Hyde Park, Vermont Town of Coventry, Vermont Campton Village Precinct Town of Ludlow, Vermont Village of Ludlow, Vermont Barton Village, Vermont Village of Orleans, Vermont Village of Johnson, Vermont Town of Plymouth, Vermont
DESIGNATIONS:	Certified Public Accountant (CPA) Certified in Financial Forensics (CFF) Certified Specialist in Estate Planning (CSEP)
PROFESSIONAL MEMBERSHIPS:	American Institute of Certified Public Accountants Vermont Society of Certified Public Accountants NH Society of Certified Public Accountants National Association of Certified Valuation Analysts
EDUCATION:	Accounting Plymouth State College (University)
COMMUNITY SERVICE:	Previous Treasurer and Board Member, Lakes Region Rotary

**STEVEN VEROFF, CPA**

Director of Assurance Services

Steven manages the Audit practice of Graham and Graham, PC. He has specialized in auditing for over 20 years, focusing on such industries as for-profit companies, governmental, non-profit and employee benefit plans. As an experienced fraud examiner, Steven has provided expert insight in the areas of fraud prevention, detection and implementing processes/internal controls to hinder fraud from happening.

INDUSTRY EXPERIENCE:	Cities Special Districts Not-for-profit Privately held businesses Retirement/ employee benefit plans Single Audit
OTHER EXPERTISE:	Board retreats and trainings Consulting on new accounting and auditing pronouncements Federal and grant compliance Financial reporting Fraud engagements Review and evaluation of internal controls
RELEVANT ENGAGEMENT EXPERIENCE:	Vermont Public Power Supply Authority Village of Orleans, Vermont Hardwick Electric Department, Vermont Town of Wardsboro, Vermont Town of Williamstown, Vermont Town of Coventry, Vermont Campton Village Precinct Town of Ludlow, Vermont Village of Ludlow, Vermont Barton Village, Vermont Town of Plymouth, Vermont Village of Johnson, Vermont Town of Monroe, New Hampshire Town of Merrimack, New Hampshire
DESIGNATIONS:	Certified Public Accountant (CPA)
EDUCATION:	Bachelor of Science, Business Administration - Accounting Northeastern University w/Honors, Magna Cum Laude KPMG Peat Marwick Alumni, audit training through Manager level – Boston, MA Ernst & Young – senior and manager audit training – Las Vegas, NV and Columbus Ohio training Center

## CONTINUING PROFESSIONAL EDUCATION

Continuing education is a top priority for Graham and Graham PC. Each of our team members receives a wide variety of annual training and content updates from highly qualified instructors, ensuring that they remain on the forefront of issues that could potentially impact our clients.

Individuals who work on audits subject to Government Auditing Standards must obtain, every two years, at least 80 hours of CPE that directly enhance the auditor's professional proficiency to perform audits and/or attestation engagements. At least 20 of the 80 hours must be obtained annually. Individuals responsible for conducting substantial portions of the fieldwork, planning, directing, or reporting on audits subject to Government Auditing Standards must obtain 24 of those hours in subjects directly related to the government environment and government auditing.

All member of the VPPSA's engagement team meet all continuing education requirements of Federal, State and Applicable professional organizations.

## LISTING OF RECENT SIMILAR PROJECTS

Graham and Graham, PC has extensive experience in providing audit services for several other governmental entities that are similar to that which is requested by the VPPSA is a list of current and prior relevant projects.

Clients	Scope of Services
Town of Monroe, NH	Town Audit, CAFR
Town of Merrimack, NH	Town Audit, CAFR
Town of Ludlow, VT	Town Audit, Single Audit, CAFR
Town of Williamstown, VT	Town Audit, CAFR
Village of Orleans, VT	Village and Enterprise Fund Audit, CAFR
Campton Village Precinct, NH	Water District Audit
Ashland Water & Sewer Dept	Water and Sewer District Audit
Town of Coventry, VT	Past Audit, Current Compilation and Fraud Exam
Vermont Public Power Supply Authority	Audit, Single Audit, CAFR, VT Component Unit
Village of Ludlow, VT	Village Audit, CAFR
Town of Wardsboro, Vermont	Town Audit, Single Audit
Town of Plymouth, Vermont	Town Audit, CAFR, forensic examination
Town of Johnson, Vermont	Town Audit, Single Audit



## CLIENT REFERENCES

Below are current relevant clients who can attest to our services and work performed on their behalf.

We welcome the VPPSA to contact any of our references listed below.

Clients	Name and Position	Scope of Services
Village of Orleans, VT	John Morley, Village Manager, Marilyn Prue Office Manager (802) 754-8584	<ul style="list-style-type: none"> <li>• Village audit</li> <li>• CAFR</li> </ul>
Town of Merrimack, NH	Paul Micali, Finance Director (603) 424-7075	<ul style="list-style-type: none"> <li>• Town audit</li> <li>• CAFR</li> <li>• MS-535</li> </ul>
Town of Monroe, NH	Diane Gibson Smith Administrative Assistant (603)486-7361	<ul style="list-style-type: none"> <li>• Single audit</li> <li>• CAFR</li> <li>• MS-535</li> </ul>
Town of Williamstown, VT	Jennifer Allard-Treasurer Town of Williamstown treas@williamstownvt.org Phone: 802-433-5455 ext.205	<ul style="list-style-type: none"> <li>• Town audit</li> <li>• CAFR</li> </ul>

## COST PROPOSAL

### TOTAL MAXIMUM PRICE FOR AUDIT SERVICES (ALL-INCLUSIVE)

In accordance with the Request for Proposal for Audit Services issued by the VPPSA, we hereby submit the following cost proposal:

Service	2020	2021	2022
Audit the financial statements of the VPPSA and assist in preparing the CAFR	\$34,650	\$35,675	\$36,750
Management Letter	Included	Included	Included
Out-of-Pocket Expenses (travel, admin)	1,525	1,525	1,525
<b>Total</b>	<b><u>\$36,175</u></b>	<b><u>\$37,200</u></b>	<b><u>\$38,275</u></b>

Reimbursement Requirements – We require reimbursement of out-of-pocket expenses (lodging, travel, meals, administrative, etc.) up to a maximum of \$1,525. Out-of-pocket expenses incurred beyond the maximum will not be charged.

### Additional Professional Services

Graham and Graham, PC may also furnish other accounting services, which may include advisory and system accounting services as requested by the VPPSA. If it should become necessary for the VPPSA to request Graham and Graham, PC to render any additional services to either supplement the services requested to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the VPPSA and Graham and Graham, PC. Any such additional work agreed to between the VPPSA and Graham and Graham, PC shall be performed at the quoted hourly rates listed below:

Position	Standard Hourly Rates
Partner	\$ 260
Director	230
Senior Staff	175
Staff	110

## Work Schedule and Estimated Hours

Task	Staff	Time Est.	Est. Cost
Engagement Letter & Audit Schedule Finalized	Jeffrey A. Graham CPA, CSEP, CFF,	1 hrs	\$260
Pre-Audit work commences from Auditor information filing	Steve Veroff, CPA, Staff auditor (TBD)	24 hrs	\$5,400
Pre-Audit work completed	Steve Veroff, CPA, Staff auditor (TBD)	8 hrs	\$1,510
Year-end review with management and staff schedules, reports and work papers	Jeffrey A. Graham, and Steve Veroff	4 hrs	\$920
Cut-off Statements issued	Staff auditor (TBD)	6 hrs	\$1,050
Walk through of Audit documents, Accounting issues discussion, and sequence of audit	Steve Veroff	20 hrs	\$3,500
Fieldwork commences	Jeffrey A. Graham, Steve Veroff, Staff auditor (TBD)	80 hrs	\$14,365
Fieldwork concludes	Jeffrey A. Graham, Steve Veroff, and Staff auditor (TBD)	5 hrs	\$940
Draft of all reports, letters and trial balances presented	Steve Veroff and Staff auditor (TBD)	24 hrs	\$4,950
Draft Review completed	Jeffrey A. Graham	2 hrs	\$520
Exit conference with Audit Committee and Management/Accounting Staff	Jeffrey A. Graham, and Steve Veroff	3 hrs	\$715
Final reports are provided	Jeffrey A. Graham	2 hrs	\$520
<b>Total</b>		<b>179 hrs</b>	<b>\$34,650</b>

## PEER REVIEW



### Report on the Firm's System of Quality Control

June 28, 2019

To the Owner of Graham & Graham, P.C.  
and the Peer Review Committee of the New England Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Graham & Graham, P.C. (the firm) in effect for the year ended November 30, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Graham & Graham, P.C. in effect for the year ended November 30, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Graham & Graham, P.C. has received a peer review rating of *pass*.

*Love, Cody & Company, CPAs, P.C.*

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(802) 442-5552 • (800) 894-5511  
Facsimile: (802) 442-7314 • e-mail: [mail@lovecody.com](mailto:mail@lovecody.com)  
[www.lovecody.com](http://www.lovecody.com)

## CERTIFICATIONS

### License to Practice

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Graham and Graham, PC is a properly licensed, certified public accounting firm in the States of New Hampshire, Vermont and Maine. All certified public accountants involved in audit engagements of the Firm are licensed to practice in the State of New Hampshire and have received at least the minimum number of continuing professional education hours required by the State Board of Accountancy and American Institute of Certified Public Accountants.

### Independence

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Graham and Graham, PC is independent of VPPSA as defined by U.S. generally accepted auditing standards and the *U.S. Government Accountability Office's Government Auditing Standards* (latest edition).

Graham and Graham, PC is independent of all associated agencies of the VPPSA, as defined by U.S. generally accepted auditing standards and the *U.S. Government Accountability Office's Government Auditing Standards*.

If Graham and Graham, PC shall enter into a professional relationship that would present a conflict of interest during the period of engagement with the VPPSA; a written notice will be presented to the VPPSA defining such conflict, if any.

## Memorandum

To: Board of Directors  
From: Ken Nolan, General Manager  
Date: September 2, 2020  
Subject: **Agenda Item #8** – Strategic Plan Finalization

The Board and staff met for offsite retreats in June to update VPPSA's 2021 strategic plan. In large part the 2020 plan was re-affirmed with minor changes. However, the Board added a new strategic focus on Technology Competency, and the staff has fleshed out proposed goals in this section since June.

The draft plans have been reviewed with the Board in July and August. The attached document represents staff's final version that is ready for Board approval.

This document will form the basis for development of VPPSA's 2021 budget and will guide formation of new initiatives and allocation of resources. Several key directions will include:

- Meeting the 1% load growth goal will impact development of VPPSA's Key Account program and budgeting related to RES compliance.
- Meeting the technology goals will entail proceeding with the next phase of AMI deployment and enhancing efforts around GIS and Broadband
- The policy goals will drive VPPSA's interaction with regulatory and legislative entities and will affect the marketing budget.
- The organization excellence goals will drive training activities and guide personnel development actions.

With approval of the 2021 Strategic Plan staff will begin the deep dive into the 2021 budget in preparation for initial Board discussion in October.

### **Proposed Motion:**

Move to adopt the 2021 Strategic Plan as presented.





# 2021 Strategic Plan FINAL



# Table of Contents

- 1. Mission and Vision**
- 2. Values and value statements**
- 3. Strategic Priorities**
- 4. Updates to 2019 Goals**
- 5. Board items to consider in developing 2021 plan**



# Mission and Vision

## Mission:

To promote, advance, and celebrate public power communities in Vermont and beyond

## Vision:

To deliver exceptional value to community-owned utilities by advocating, educating, collaborating, and providing guidance through the changing economic, technological, and regulatory landscape

# Values and Value Statements

- **Responsiveness**
  - We are responsive to our members and stakeholders changing needs
  - We adapt to the external environment in which we operate
- **Integrity**
  - We demonstrate accountability through honesty, transparency and attention to detail
  - We make & support business decisions through experience & good judgement
- **Sustainability**
  - We enhance the vibrancy of our member communities and their environment
  - We manage risk enabling public power to thrive
- **Collaboration**
  - We further our mission by supporting each other and actively pursuing partnerships
- **Leadership**
  - Our expertise and character sets an example that inspires others
  - We influence the future of public power by pro-actively building consensus and embracing innovation

# Current VPPSA Strategic Priorities/End Statements:

- **Financial Strength** (Leverage VPPSA's capabilities to improve the financial strength of its members)
- **Policy Leadership** (Proactively create a positive operating environment that recognizes the unique attributes and accomplishments of our member communities)
- **Organizational Excellence** (Establish a sustainable company culture based on unity, initiative, and critical thinking)
- **Board Priorities** (Leverage VPPSA's capabilities to provide additional services to its members)
- **Technology Competence** (Deploy secure, unified systems that meet the member's emerging business and regulatory needs)

# Financial Strength

## Leverage VPPSA's capabilities to improve the financial strength of its members

1. Increase retail sales by 1% annually in aggregate beginning in 2021 without increasing peak load levels and avoiding reduced sales for any member
2. Add 1 new technical service chosen by the members per year beginning in 2021 to VPPSA's service offerings
3. Add 1 new member by the end of 2021
4. Increase VPPSA revenues from non-members by 10% per year between 2020 and 2023 and then maintain it at the 2023 level
5. By the end of 2020 develop a preliminary roadmap to implementing customer responsive rates in consultation with VPPSA members

# Policy Leadership

## **Proactively create a positive operating environment that recognizes the unique attributes and accomplishments of our member communities**

1. Identify, sponsor, and obtain passage of at least 2 Bills in consultation with members that support members business needs by the end of the 2024/2025 legislative session
2. Have at least one legislative representative from each member's territory attend a VPPSA sponsored event annually beginning in 2020
3. Evaluate the effectiveness of the 2019/2020 legislative outreach and use the results to develop and expand the program for the 2020/2021 legislative session
4. Have established annual recurring meetings with the Chairs of relevant Legislative committees, the House Speaker, the Senate President Pro Temp, and the Governor's office prior to the 2025 Legislative session

# Policy Leadership

## **Proactively create a positive operating environment that recognizes the unique attributes and accomplishments of our member communities**

5. Continue quarterly standing meetings with the Commissioner of Public Service and annual meeting with the Public Utility Commission
6. Develop at least 1 VPPSA position paper on a topic of significant importance to public power each year beginning in 2020
7. Increase the percentage of VPPSA's Tier 3 compliance met through prescriptive Tier 3 credits each year beginning in 2021 by implementing appropriate mechanisms, including collaborating with Efficiency Vermont
8. Complete at least 5 custom RES projects in collaboration with EVT by the end of 2023.



# Organizational Excellence

## **Establish a sustainable company culture based on unity, initiative and critical thinking**

1. Develop a succession plan for each department by the end of 2021
2. Have each Department document critical tasks completed by each position, backups for each task, and develop a cross-training plan by the end of 2020
3. Have every staff member attend training and educational events in accordance with their approved professional development plans each year beginning in 2021 subject to any unforeseen budgetary constraints.
4. Have at least 3 staff members present at conferences or webinars each year beginning in 2021.

# Organizational Excellence

## **Establish a sustainable company culture based on unity, initiative and critical thinking**

5. Have at least 3 staff members visibly support public events each year beginning in 2021.
6. Earn at least 10 positive media articles referencing VPPSA or any of its members per year beginning in 2021
7. Update HR policies, processes, procedures and technologies to continue work from home by 6/30/21
5. Have each employee make at least one presentation to the Board of Directors each year beginning in 2020.



# Organizational Excellence

**Establish a sustainable company culture based on unity, initiative and critical thinking**

9. Conduct a member survey by end of 2020 and continue annually thereafter
10. Have at least 10 members participate in each Board meeting

# Technology

## Deploy secure, unified systems that meet the members emerging business and regulatory needs

1. Develop a package of policies and technology solutions that provide similar Work from Home capabilities and redundancy to working from VPPSA's office environment by the end 2021
2. Obtain Board approval of a unified framework for approving electrification projects by the end of 2020 that recognizes how beneficial they are to the members and their customers.
3. Develop a combined "digital communications"/AMI/GIS/Rate Design business case based roadmap by the end of 2021 that stages the technology and policy changes together in a way that supports each member's economic development and community goals.
4. Implement a cost effective VPPSA-wide cyber security program consisting of the tools, policies, and training necessary to provide continuous and effective security to all members by end of 2021
5. Complete initial collection of GIS data and have asset location maps available for all members by end of 2021

## Memorandum

To: Board of Directors  
From: Ken Nolan, General Manager  
Date: September 2, 2020  
Subject: **Agenda Item #9** - GIS Update

As the Board is aware VPPSA has now hired its GIS Technician, Alex Nicholson. An outside contractor, Allen Stamp, has also been hired to assist with project development. Alex and Allen have spent the past two months standing up the mPower software, acquiring and setting up the more robust ARCMAP ESRI based mapping tool, meeting with each member to understand what data is available and potential use cases, and beginning to develop the plan for moving forward. What they have found is a complex web of differing levels of data availability and a wide range of views in potential uses.

Alex will walk the Board through the present program status and an initial plan for development of VPPSA's GIS program based on the information actually found on the ground. The Board should take this discussion as a level-setting exercise designed to make sure everyone has similar expectations and to gather feedback on any concerns the plan raises.

Alex's presentation will utilize a GIS storyboard and is not easily put into PDF or Powerpoint. If you would like to preview the presentation please go to the following link using your web browser:

<https://storymaps.arcgis.com/stories/a716ccd3bb804120be053fa62f406b14>

## Memorandum

To: Board of Directors  
From: Ken Nolan, General Manager  
Date: September 2, 2020  
Subject: **Agenda Item #10** - FY21 Budget Key Assumptions

As the FY21 budget development has begun a few key assumptions have come to the foreground that are worth discussing with the Board before staff begins to prepare the first draft for Board discussion in October.

### Field Services Manager

As the Board is aware, the FY20 budget included a new position titled Field Services Manager. That position was intended to provide capital project support for VPPSA, management support to Barton, and superintendent support to Ashland, NH. However, due to VPPSA's discussions with Barton being protracted the position has not yet been filled. Instead, VPPSA entered into a contract with Dave DiSimone to fill the positions needs pending resolution of the underlying issues.

With Barton now rejecting the VPPSA proposal I do not see a path to funding this position full-time in the near-term absent substantial increases in member costs. Longer term it is possible that direct service offering for specific members or for broadband support could materialize but this is unlikely in FY21.

As a result, my proposal will be to eliminate the new position in FY21 and instead assume that the contract with Mr. DeSimone will continue on a part-time (8-16 hours per week) basis.

### Cyber Security

The FY20 budget contained an error. Ken St. Amour included funding for a member-wide cyber security program to respond to regulatory requirements VPPSA saw coming from NERC and the PUC. However, the budget request erroneously only included partial funding. This error was identified in June, after Ken had already begun deployment of the program with some members. VPPSA was faced with a choice of: 1) stop the program, 2) proceed and bill the costs directly to members (outside of the budget), or 3) proceed and absorb the costs in the budget. After Crystal, Ken and I reviewed the overall VPPSA budget status I decided to absorb the program costs within the approved budget and proceed with the program. Ken and Kim continue to roll the program out to members.

However, this created a decision point for FY21. Adding the VPPSA-wide program will be cheaper and more effective for members than individual approaches; however, the addition equates to roughly \$55,000 in FY21. The three options detailed above remain.

I am recommending that VPPSA continue with the cyber security program for members and fund it through the operating budget. However, the issue warrants Board discussion.

### RES Budget

Members will see a significant increase in projected RES costs for FY21. This is the first year that the Tier 1 requirement steps up (it does so every 3-years) making some members deficient and ensuring costs for Tier 1. In addition, the Tier 2 and 3 requirements continue to escalate rapidly.

To keep budgeted costs low VPPSA has historically NOT budgeted for "custom" projects and has relied on host members funding those projects as they surface. That approach has NOT been successful. The only project to proceed under that structure is the Hardwick line extension (which did not require any incentive from Hardwick other than a schedule change). This lack of progress is despite the fact that custom project incentives tend to be far less expensive than prescriptive rebate costs (ie. \$5/credit versus \$30/credit).

I am becoming increasingly concerned that the members are missing both significant cost reduction opportunities and significant additional sales, because of the structure VPPSA has put in place. Based on experiences to date I am also concerned that the existing budget structure will impede VPPSA's efforts to coordinate more closely with EVT and to establish a key accounts program.

As part of the FY21 RES budget preparation I will be proposing that the RES budget collected from members monthly reflect the total expected Tier 3 requirement so that incentive funds for custom projects are collected from all members over time - rather than from the host utility at a specific point in time. The incentives would then be paid by VPPSA (just as the rebates for prescriptive measures are), and the credits would be shared among all contributing members - while the host utility received the added electric sales.

I feel strongly that this change is required in order to avoid members having to pay the ACP as well as to ensure that we keep pressure on EVT to bring additional EEC money back to member territories. However, it is a significant change that warrants Board discussion.

## Memorandum

To: VPPSA Board of Directors  
From: Melissa Bailey  
Date: August 28, 2020  
Subject: **Agenda Item #11** - Legislative and Regulatory Update

### 1) 2020 Legislative Session

Vermont's Legislature reconvened on August 25 and continues to conduct its business remotely. The current focus is on the budget and additional response measures related to the pandemic. There was a \$130M surplus in FY 2020 but FY 2021 revenue is expected to be down \$270M. The Administration has proposed a budget that does not increase taxes or fees. \$300M in federal CARES dollars are yet to be allocated.

There continues to be legislative interest around expanding energy efficiency services to cover unregulated heating and transportation fuels. S. 337 would allow EVT to expand its services into these sectors on a pilot basis in the upcoming 3 years. This bill passed the Senate earlier in the session and is now under consideration in the House.

Broadband continues to be a topic of great interest and the Administration proposed \$2M in one-time funds to Communication Union Districts (CUDs) to help expand service.

### 2) PUC Proceedings

- a. **Case # 19-2956 All Fuels** - Parties have filed final comments in this 2-year proceeding to consider the establishment of an "all fuels" energy efficiency utility for Vermont. The PUC will provide its final recommendations on this topic to the Legislature in January.
- b. **Case # 19-3272 EVT Demand Resources Plan Proceeding** - VPPSA continues to participate in Efficiency Vermont's Demand Resources Plan for the upcoming three years. VPPSA filed a brief restating VPPSA's concerns around the need for equitable spending, coordination with utilities, and the avoidance of cost-shifting through load management activities. **An Order from the PUC setting EVT's budget is expected in October.**
- c. **Case # 20-0097 Net Metering Biennial Update** - The PUC delayed its proceeding to update net metering compensation levels, which ordinarily occurs every two years. Utilities reported updated data on net metering installations on August 3.
- d. **Case # 20-0203 Investigation into the establishment of reduced rates for low-income residential ratepayers of Vermont electric utilities** - Initial comments and reply comments were filed in this proceeding. **The PUC has now paused this case.**



## Memorandum

To: Board of Directors  
From: Ken Nolan, General Manager  
Date: September 2, 2020  
Subject: **Agenda Item #12** - Barton Update

A few new activities are underway related to Barton:

- Kate Kran has requested several pieces of information that appear designed to assist with evaluation of the utility value. VPPSA has compiled most of this information and has provided. Bill Ellis is reviewing the Power Purchase Agreements to make sure VPPSA will not violate any non-disclosure requirements before forwarding the contracts to Barton.
- Staff will be meeting with HomeTown Connections on September 3<sup>rd</sup> to begin the "Value of Public Power" assessment. Barton has agreed to participate in this effort and Kate Kran is expected to be Barton's point person.
- Staff and several members will be conducting a site visit to Barton's hydro location on September 9<sup>th</sup>. Barton is considering options around future operation of the facility and whether they should continue to own/operate it. VPPSA is weighing whether a municipal offer to purchase (either through VPPSA or directly by a member) would be of value.