

**MINUTES OF THE SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
FRIDAY, NOVEMBER 3, 2017**

GENERAL

President James Vigesaa called the Special Board meeting of the United Power Board of Directors to order at 9:00 a.m. on November 3, 2017. The meeting was held at United Power Headquarters in Brighton, Colorado. Present were Directors Keith Alquist II, Ginny Buczek, Tim Erickson, Elizabeth Martin, Ursula Morgan, Rick Newman, Susan Petrocco, Dave Rose, James Vigesaa and Tamra Waltemath. Chief Executive Officer John D. Parker and Executive Administrator Michele Sack were also present. Director McCormick was absent due to Federal Jury Service.

Others present for the meeting were staff members Dean Hubbuck, Ellen Judish, Andrea Lovato, Jerry Marizza, Heidi Storz and Troy Whitmore.

INVOCATION/PLEDGE

Director Buczek gave the invocation and led in the Pledge of Allegiance.

AGENDA APPROVED

A motion was made by Director Petrocco, which was seconded and carried, to approve the agenda as presented.

TOPICS OF DISCUSSION

- Revenue Requirement
- Cost of Service
- Rate Design

CEO Parker introduced Joe Mancinelli, Principal Rate Consultant, and Max Bernt, Senior Consultant, from NewGen Strategies & Solutions who have been working with United Power on the Cost of Service Study (COS) and proposed retail electric service rate changes for 2018.

Part of the 2018 COS included 2 years of Advanced Metering Infrastructure data. This allowed United Power the ability to allocate costs accurately to the associated rate classes. This also reflects how we have been collecting our costs via fixed or variable.

At 10:22 a.m. the Board recessed for break. The Board reconvened at 10:40 a.m.

Another factor in determining our 2018 rate structure included the following market trends:

- Load Growth/Conservation
- Distribute Generation
- Battery Storage
- Electric Vehicles
- Regional transmission Organization

The Board recessed for a break at 12:10 p.m. and reconvened at 12:45 p.m.

Following further review and discussion, **a motion was made Director Buczek**, which was seconded and carried, to approve the Resolution approving Retail Rate Changes for 2018.

RESOLUTION TO APPROVE RETAIL RATE CHANGES FOR 2018

WHEREAS, United Power prepared a cost of service study in 2017 for purposes of setting retail rates, and to evaluate new fees, and such study indicated that several retail rate classes needed increases or decreases to better reflect the cost of providing service.; and,

WHEREAS, United Power has been formally advised that the wholesale rate under which it purchases power from Tri-State Generation and Transmission Association, Inc., will have no rate increase in 2018; and,

WHEREAS, the Board has reviewed the cost of service study results and proposed retail rate changes for 2018 for those rate classes needing further adjustment to better reflect the cost of providing service to such rate classes; and,

WHEREAS, the Board has determined that it is fair and reasonable to further adjust the rates of those rate classes and continue to move them toward the levels indicated by the cost of service study; and

WHEREAS, it is necessary to revise the United Power tariff sheets to reflect the new proposed retail rates effective with billings on and after February 1, 2018 (to affect usage on or after January 1, 2018);

NOW, THEREFORE, BE IT RESOLVED, that the attached tariff changes, to be effective with billings on and after February 1, 2018, are hereby approved by the Board of Directors of United Power, Inc., for public notice in accordance with Section 40-9.5-106(1) C.R.S. 1973 and Regulation No. 5 of United's Regulations Governing Consumer Complaints and Related Matters; and

BE IT FURTHER RESOLVED that the said tariff changes shall be filed in Advice Letter format for informational purposes with the Public Utilities Commission of the State of Colorado concurrently with the public notice, and the Secretary is directed to file the original copy thereof for safekeeping and to distribute copies to assigned personnel; and

BE IT FURTHER RESOLVED that in the event informal complaints or formal complaints are timely filed regarding said change in the tariffs of United Power, Inc., a meeting of the Board of Directors may be scheduled to act upon said complaints.

ADJOURNMENT

President James Vigesaa declared the meeting adjourned at 2:25 p.m.



Michele Sack, Recording Secretary