

**MINUTES OF THE REGULATORY MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
FRIDAY, SEPTEMBER 21, 2018**

GENERAL

President James Vigesaa called the Regulatory Meeting of the United Power Board of Directors to order at 9:00 a.m. on September 21, 2018. The meeting was held at United Power Headquarters in Brighton, Colorado. Present were Directors Keith Alquist, Ginny Buczek, Tim Erickson, Brian McCormick, Ursula Morgan, Rick Newman, Susan Petrocco, Dave Rose, James Vigesaa and Tamra Waltemath. Chief Executive Officer John D. Parker, Chief Operating Officer Bryant Robbins, Chief Financial Officer Laurie Rydwell, Public Affairs Officer Troy Whitmore and Executive Administrator Michele Sack were also present. Director Elizabeth Martin was absent.

Others present for the meeting were staff members Erin Hane, Dean Hubbeck, Andrea Lovato, Jerry Marizza, Robert Maxwell, and Ken McFadden.

AGENDA APPROVED

Director McCormick asked for clarification regarding the title of this Board Meeting. After further discussion, the agenda will be modified to note the meeting is a Regulatory Board meeting. **A motion was made by Director Morgan**, which was seconded and carried, to approve the agenda as amended.

BOARD SECRETARY APPOINTMENT

Due to the absence of Secretary Martin, President James Vigesaa noted paragraph 6.13 in United Power's Bylaws, which states "6.13 Delegation of Duties. Election of Assistants: In case of absence of any officer or for any other reason that the Board may deem sufficient, the Board may delegate the powers and duties of any such officer to any other officer or director or may appoint a director as an assistant to any such officer to exercise the powers and duties thereof." **Director Buczek made a motion**, which was seconded and carried, to appoint Treasurer Ursula Morgan to fill the role of Secretary for the Regulatory Board Meeting and the Regular Board Meeting being held on September 21, 2018.

REGULATORY ASSET TREATMENT – FREDERICK

Director Morgan made a motion, which was seconded and carried, to adopt the following Resolution Authorizing to Set the Amortization Period for the Frederick Acquisition Adjustment:

**AUTHORIZATION TO SET AMORTIZATION PERIOD FOR FREDERICK
ACQUISITION ADJUSTMENT**

WHEREAS, United Power, Inc. (“UP”) has agreed to purchase from the Town of Frederick the electric distribution company known as Frederick Power & Light, a municipally owned enterprise system, for Eighteen Million Dollars (\$18,000,000) in cash; and

WHEREAS, the appropriate accounting treatment is to record the physical assets purchased at their Net Book Value with the remainder of the purchase price being recorded as an Electric Plant Acquisition Adjustment; and

WHEREAS, the Electric Plant Acquisition Adjustment requires amortization over the future periods benefitting from the purchase of this distribution system and its related asset; and

WHEREAS, the established composite rate of depreciation for the related physical assets is 3.33% (or 30 years).

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes and directs the Chief Financial Officer to record an Electric Plant Acquisition Adjustment for the difference between the purchase price and the Net Book Value of the physical assets as a Regulatory Asset with an amortization period of thirty (30) years.

REVISION TO INTERCONNECTION STANDARDS

Director Petrocco made a motion, which was seconded and carried, to adopt the following Resolution Authorizing a Revision to the Interconnection Standards:

RESOLUTION AUTHORIZING A REVISION TO INTERCONNECTION STANDARDS

WHEREAS, the State of Colorado through a Legislative declaration 40-9.5-101 C.R.S. states that “The general assembly hereby finds and declares that cooperative electric associations which are owned by the member-consumers they serve are regulated by the member-consumers themselves acting through an elected governing body.”; and

WHEREAS, the Interconnection of Distributive Energy Resource requirements and technology has been changing; and

WHEREAS, it is necessary to revise and update the United Power tariff sheets addressing Interconnection of Distributive Energy Resources requirements; and

WHEREAS, it is necessary to eliminate the United Power tariff sheets addressing Reserve Capacity Service for Distributive Generation; and

WHEREAS, it is necessary to revise and update the United Power tariff sheets addressing the Net Metering Service.

NOW, THEREFORE, BE IT RESOLVED that the following tariff sheets 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 said tariff sheets 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 Staff 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 9:28 a.m.



Michele Sack, Recording Secretary