

**MINUTES OF THE REGULATORY MEETING OF
THE BOARD OF DIRECTORS OF
UNITED POWER, INC.
THURSDAY, NOVEMBER 1, 2018**

GENERAL

Chairman James Vigesaa called the Regulatory Meeting of the United Power Board of Directors to order at 9:00 a.m. on November 1, 2018. The meeting was held at United Power Headquarters in Brighton, Colorado. Present were Directors Keith Alquist, Ginny Buczek, Tim Erickson, Elizabeth Martin, Brian McCormick, Ursula Morgan, Susan Petrocco (arrived at 10 a.m.), Dave Rose, James Vigesaa and Tamra Waltemath. Director Newman joined by tele-conference. 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.

Others present for the meeting were staff members Dean Hubbuck, Andrea Lovato, Jerry Marizza and Robert Maxwell.

Members Michael Albi and Kristopher Lyvers were present for the meeting. The Board also acknowledged a letter received by member Michael Kervitsky.

INVOCATION/PLEDGE

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

AGENDA APPROVED

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

DEMAND RATE COMPONENT - ITD CHANGES

On November 3, 2017 a presentation on Cost of Service and Rate Design Study was made to the Board at a Regulatory meeting. A few of the agreed upon objectives was to recover system revenue requirement, improve fixed cost recovery, move classes toward cost of service and to introduce demand to non-demand rates. Additionally, it was presented that this would be accomplished over a 5-year transitional period.

Included in the Board packet was the cost of service process and results, rate plan recap and recommendations.

The Board recessed for a break at 10:27 a.m. and reconvened at 10:45 a.m. with the Board continuing discussions with Power Supply and Rates Director Dean Hubbeck.

Following break, the member's attending today's Regulatory meeting were given an opportunity to speak directly with the Board. Shortly thereafter, Mr. Albi left the meeting at 10:50 a.m. and Mr. Lyvers left the meeting at 11:20 a.m.

The Board recessed for lunch at 12:00 and reconvened for a working lunch at 12:15 p.m.

Director Waltemath and Director Newman left the meeting at 1:00 p.m. and 1:09 p.m. respectively.

Following further review and discussion of the rates and tariffs, **Director Martin made a motion**, which was seconded and carried, to adopt the following Resolution Authorizing a Revision to Rates and Tariffs. **Director McCormick** voted against this Resolution; **Director Newman** and **Director Waltemath** were not present for the vote.

RESOLUTION AUTHORIZING A REVISION TO RATES AND TARIFFS

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, 2017 Cost of Service study was updated to reflect the current and future conditions for 2019; and

WHEREAS, it has been determined to add the demand component to the non-demand rates and decrease the energy rate of Residential, Residential Time of Use, Commercial, Commercial Time of Use, Irrigation and Small Industrial Primary Service; and

WHEREAS, it has also been determined that the Residential, Residential Time of Use, and Irrigation rates are under recovering and need to be increased; and

WHEREAS, it has also been determined that the Industrial Transmission Service 1-4 rates need to be increased; and

WHEREAS, the Residential Demand Rate Pilot will conclude and be re-introduced as the new Smart Choice Rate; and

WHEREAS, it is necessary to update some language in the United Power rate sheets for consistency; and

WHEREAS, it is necessary to change the format of the Rules & Regulations, Service Rules & Regulations and Service Connection & Line Extension Policies for future edits; and

WHEREAS, all changes become effective on January 1, 2019; and

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 Regulatory Board meeting adjourned at 2:00 p.m.



Michele Sack, Recording Secretary