

POLICY DRAFT 5/18/2011

Vermont Electric Power Company

Transfers of Land and Other Property Rights For Utility Purposes Between Vermont Transco LLC and Vermont Electric Distribution Utilities

A. Purpose

Transfers of land and rights-of-way, grants of leases, licenses and easements, and other full or partial property rights transfers (collectively referred to herein as “land rights conveyances”) for utility purposes between Vermont Transco LLC and Vermont electric distribution utilities will need to occur from time to time.

This Policy describes the method of valuation and conveyance of land, rights-of-way, leases, licenses and easements for utility purposes between Vermont Transco LLC and Vermont electric distribution utilities.

B. Objective

The purpose of this policy is to establish a standard approach to land rights conveyances between Vermont Transco LLC and Vermont electric distribution utilities that is consistent, equitable, and lawful. This policy and the accompanying resolution also describe the basis for establishing the purchase price or other compensation to be paid in connection with any such transaction.

C. Scope

This policy establishes the framework for land rights conveyances between Vermont Transco LLC and Vermont electric distribution utilities of 1) fee simple property, 2) assignments of rights-of way, 3) leases, 4) co-location licenses within an assigning utility’s right-of-way corridor, and 5) easements for transmission or distribution lines over property owned by the granting utility.

D. Conveyances of Fee Simple Property

1. The purchase price for all fee transfers of land for utility purposes between Vermont Transco LLC and Vermont electric distribution utilities shall be equal to the price at which the property was first acquired by the transferring utility and the amount entered into the transferring company’s Continuing Property Record. The purchase price (or the basis for the purchase price, if the book value is unknown at the time) shall be declared within the Capital Project Cost Sharing Agreement between the parties to the transaction, or within a Purchase and Sale Agreement.

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2. As a requirement of closing, and either at the time of closing, or within 90 days of closing, each transferring utility shall provide the purchasing utility with a recorded Release of Lien or Partial Release for the subject property, executed by the utility's Trustee under its Indenture of Mortgage.
3. The receiving utility shall be responsible for surveying and/or plat preparation costs, if necessary for the transaction.
4. These and other terms (environmental contamination liability, etc.) will be included in a Purchase and Sale Agreement between the parties.

E. Assignments of Rights-of-Way

1. The purchase price for all assignments of rights-of-way for utility purposes between Vermont Transco LLC and Vermont electric distribution utilities shall be equal to the price at which the property rights were first acquired by the transferring utility and the amount entered into the transferring company's Continuing Property Record. The purchase price (or the basis for the purchase price, if the book value is unknown at the time) shall be declared within the Capital Project Cost Sharing Agreement between the parties, or within a Purchase and Sale Agreement.
2. As a requirement of closing, and either at the time of closing, or within 90 days of closing, each transferring utility shall provide the purchasing utility with a recorded Release of Lien or Partial Release for the rights-of-way conveyed, executed by the utility's Trustee under its Indenture of Mortgage.
3. These and other terms (environmental contamination liability, etc.) will be included in a Purchase and Sale Agreement between the parties.

F. SRP Lease Agreements/Memoranda of Understanding

1. The consideration paid for all Lease Agreements, Memoranda of Understanding (MOU), or other similar agreements between Vermont Transco LLC and Vermont electric distribution utilities in connection with the co-location of equipment for the Statewide Radio Project ("SRP") shall be an amount based solely on a prorated portion of reasonable operational and maintenance fees and expenses (road maintenance, taxes, propane, etc.) associated with the individual leased site, and may be adjusted from time to time according to the terms of the Lease Agreement or MOU. No other rent structure shall apply to such SRP Lease Agreements or MOU.

G. Co-location Licenses

POLICY DRAFT 5/18/2011

Vermont Electric Power Company

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1. With approval by the granting utility, which approval shall not be unreasonably withheld, co-location licenses needed for utility purposes by VELCO from a Vermont electric distribution utility or by a Vermont electric distribution utility from VELCO shall be granted at no cost, except the Grantee utility shall pay reasonable costs, including, but not limited to administrative, make-ready, and other costs incurred by the granting utility in considering and complying with the request.
2. The co-location license shall address and establish mutually agreeable terms and conditions, including, but not limited to: initial clearing costs and cyclical Right-of-Way Maintenance; asset ownership and maintenance; engineering approval of separation distance, height and overall location of lines within the right-of-way; liability; environmental restrictions, landowner notice, aesthetic mitigation; permits and regulatory authority; rights to assign or sublet; and future relocation of co-located lines in the event the right-of-way is required for additional facilities of the Licensor.

(Note that under the terms of its Indenture of Mortgage, the granting utility may be required to report on an annual basis, a description of all easements, rights of way, leases, franchises, licenses, authorities or permits surrendered or modified.)

H. Easements Across Fee Property

1. With approval by the granting utility, which approval shall not be unreasonably withheld, easements needed for utility purposes by VELCO from a Vermont electric distribution utility or by a Vermont electric distribution utility from VELCO shall be granted at no cost, except the Grantee utility shall pay reasonable costs, including, but not limited to administrative, make-ready, and other costs incurred by the granting utility in considering and complying with the request.
2. The receiving utility shall be responsible for surveying and/or plat preparation costs, if necessary for the transaction.

(Note that under the terms of its Indenture of Mortgage, the granting utility may be required to report on an annual basis, a description of all easements, rights of way, leases, franchises, licenses, authorities or permits surrendered or modified.)