

VERMONT PUBLIC POWER SUPPLY AUTHORITY

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January 17, 2011

Ken Mason, Manager
Village of Lyndonville Electric Department
119 Park Avenue, P.O. Box 167
Lyndonville, VT 05851

re: Taft Corners metering error calculations

Dear Ken:

Thank you again for taking the time to provide a thorough update on the above subject at the VPPSA Board meeting yesterday. The Board has asked me to convey to you in writing its strong consensus that, consistent with longstanding practice and general principles of fairness, all costs, including transmission costs, should be allocated in accordance with their causation, and that the Operating Committee's recommendations regarding this issue should reflect that principle. There was also a strong sense that all Vermont utilities, as well as VELCO, would benefit from a clear rule as to how far it is appropriate to "look back" relative to the adjustment of charges.

Please let me know if you have any questions regarding this letter, or if I can be of any help relative to the issues at hand. Thank you again for the generous amount of time that you devote to the Operating Committee, and in keeping all of us informed regarding its efforts. It is of great benefit to us all.

Very truly yours,



David John Mullett

cc: Duncan Hastings, VPPSA Chair