

VELCO Operating Committee Meeting Minutes

Thursday, March 17, 2011

11:00 a.m.

Location: Stowe Electric Department, Stowe

Committee Members present: Ken Mason (VPPSA-LED), Ken Couture (GMP), Ken Nolan (BED), Greg White (CVPS), Ellen Burt (Stowe), Jeff Wright (VEC), Kevin Perry (VEC), Tom Dunn (VELCO), Allen Stamp (VELCO), Hantz Presume (VELCO).

I. Minutes of January 20, 2010 meeting

- Under motion duly made by Greg White and seconded by Ellen Burt, the minutes, as amended, of the January 20th meeting were approved.

II. Update on ISO NE VT/NH study-Hantz Presume

- Mr. Presume provided an overview of the VT/NH study process and its current status of the solutions study.
 - Load flows on potential options expected to complete by the end of March.
 - Cost estimates for each potential option currently being developed.
 - VELCO worked with study group on Monday the 14th to ensure that all Transmission Owners are using the same cost estimating methodology in preparing their respective estimates.
- Mr. White asked how ISO is evaluating NTAs. Mr. Presume stated that ISO's engineer is studying each 115 kV bus and simulating adding generation until the constraint is relieved. He indicated that this approach should give us a good idea how much generation or load relief would be needed and approximate where they would be located to postpone the need for transmission upgrades.
- The committee discussed the need for a policy discussion about NTAs. Mr. Couture suggested that it could be presented in a second All-Hands meeting.
- Mr. Mason asked about the status of VY. A discussion ensued about the likely outcome of VY's relicensing. There continues to be uncertainty about the plant's future. It was likely that the issue be resolved in court.
- Mr. Presume reviewed the options being considered to address the various needs that have been identified. Problems have been identified in various locations within VT. In northwest VT transmission line upgrades will be needed unless there are contract-backed flows over PV20.
- VSPC members asked questions about ISO's planning criteria. ISO is going to be invited to come to VT to meet with the Vermont System Planning Committee ("VSPC") sometime over next few weeks to discuss these issues.
- Mr. Presume noted that VELCO is preparing to conduct the 2012 planning analysis. He suggested that concerns about the planning assumptions be addressed to ISO-NE.

III. Telecommunications - Allen Stamp

- Mr. Stamp reviewed the status Telecom Subcommittee continues to work on selecting system electronics and reviewing substation work associated with the deployment of the fiber.
- System architecture, component design and equipment installation (e.g., type and location of electronics, location of the various types of equipment, installation details, etc.) are still a work in progress. Mr. Stamp indicated that a draft of this plan will be available in early April. Team is utilizing an IBM resource to supplement the technical team. Mr. White noted that it is important that these issues get resolved quickly because of their smart grid project is going to deploy equipment beginning in May.
- Cost Allocation: Mr. Stamp indicated that he and Mr. Dunn are working on developing a proposal for cost allocation that would be shared at the April OC.
- Mr. Stamp reviewed the status of the construction of the fiber project. Numerous segments are under varying stages of development (e.g., engineering, make-ready, construction). Spent approximately \$8M of \$53M overall budget (end of January). 49 miles of construction is complete with many more segments under construction.
- Mr. Couture asked about the status of overall schedule and budget. Mr. Stamp indicated that with only 15% complete it is difficult to predict final outcome. There are indications that the heavy snow is affected cost and schedule particularly the make-ready work. The team is evaluating potential changes to project plan to get more of this work done in the non-winter months.
- The project is encountering some engineering delays and the team is examining ways to mitigate these impacts.
- Mr. Wright noted the value of face-to-face meetings between the DUs and VELCO.

IV. VEC Repayment of Taft's Corners Metering Error-Thad Omand

- Mr. Omand reviewed the proposed resolution that reflects the agreement reached at the February OC. Repayment
- Resolution No. 1 was moved, seconded and approved by the Committee.
- Resolution No. 2 proposes a methodology to follow to resolve future metering errors.
- Various comments were provided and an amended resolution to resolve future metering errors will be brought to the committee in April

V. Land Transfer Practices

- Mr. Dunn reviewed land transfers that were done on NRP, specifically, the GMP right-of-way and substation land. He indicated that these transfers were made at Net Book Value.
- Mr. Wright asked whether there was a procedure to document the process that is being used.
- Mr. White indicated that he will talk with CV personnel to determine if there are concerns about doing land transactions at net book value.
- Mr. Dunn will draft a proposed procedure for the DUs to consider at April's meeting.

VI. Other business

- Rescheduled April to Thursday the 28th.
- Mr. Mason asked again that we provide a template of loss allocation agreement. Mr. Omand will provide a proposal at April's meeting.