

Special Meeting of the VELCO Operating Committee Meeting Minutes

As Revised on February 18, 2010

Friday, February 05, 2010

1:00 p.m.

Location: Green Mountain Power

Committee Members present: Jeff Wright (VEC), Ken Nolan (BED), Ken Couture (GMP), Ken Mason (LED), Greg White (CVPS), Ellen Burt (SED), Neal Robinson, and Frank Etori (VELCO).

Other present: Thad Omand, Michelle Nelson, Tamara Strauss, Jefferson Jones, Craig Myotte (MWL), Terry Cecchini, (GMP)

I. **Stowe substation Facility Classification**

A special meeting of the Operating Committee was held to discuss the treatment of the Stowe substation facilities. There was a brief discussion on the underground cable classification of the Wilkins. Mr. Robinson mentioned that the Lamoille County Settlement Agreement has all of the exclusive facilities classified as Stowe ownership. Mrs. Burt suggested that if she owns all of the exclusive facilities she is going to need to create a FERC tariff to charge wheeling to GMP and MWL. Both MWL and GMP do not want to be charged wheeling so based upon Ellen's proposal a discussion ensued on what the proper percentage should be for allocating exclusive facility costs. One possibility is 50% to Stowe, 33.33% to GMP and 16.67% to Morrisville. Mr. Myotte suggested that the percentages sounded fine however he wants to make sure that the line costs for the Stowe Mountain and the line to Blush Hill are not included in the exclusive facility costs of the substation.

The 34.5 kV underbuild of the double circuit construction may result in VELCO, or the DU owning the asset. There may be some desire to transfer the assets to GMP and create a joint use agreement for ROW maintenance, line work, and pole attachment fees. If VELCO transfers ownership of the 34.5 kV assets to the DC, VELCO will have to pay CIAC, as a project cost, to the affected DU.

VELCO is currently treating the line sections to the Wilkins sub, the first pole & conductor toward the Stowe line, and the first pole and conductor toward Blush Hill as Exclusive Facilities and VELCO needs to remove those costs from the \$1.5 M.

The group consensus is that VELCO should have installed the Wilkins spare conduit. VELCO will get an estimate for what the cost would have been if VELCO installed the spare conduit during construction and what the costs would be today and bring the costs back to group.

2. **Next meeting**

The next meeting of the Operating Committee is scheduled for February 18th.

Respectfully submitted,

Frank Etori