

Telecom Update

VELCO Operating Committee



Project Update

Fiber Optic Backbone and eEnergy Vermont

Fiber Optic Backbone

Overview:

- The work consists of approximately 30 different subprojects with installation on both VELCO- and DU- Owned Infrastructure; the work is in varying stages of development; i.e. engineering, construction , and splicing.
- Costs to date for the project (through the end of September) are approximately \$23.6 M (45% spent) of a \$53 M project estimate for fiber installation only.
- The project remains “on track” to meet its budget and schedule goals, based upon analysis to date.
- Both the Operating Committee and VELCO BOD Executive Committee have approved the Lit Fiber Project Budget of \$19.5 M.

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Engineering Design and Procurement

- Engineering is 90% complete, with over 750 miles issued for review, and approximately 630 miles issued “final”.

Field Work

- Make Ready is complete for approximately 368 miles.
- 371 miles of fiber installation is complete, with another 104 miles in construction.
- Approximately 140 miles of material is available.

Regulatory/Permitting Activities

- Highway crossing permits have been delayed due to Irene on several segments, however, a recovery plan is in place.
- Generally, Section 10 Crossing Permits continue to be received well in advance of construction, currently working to expedite permit over the Otter Creek.
- VELCO continues to work with GMP, VEC, and WEC to identify easements and clearance issues within their scope.

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Schedule

- The work is currently scheduled to be completed at the end of 2012.
- Approximately 400 miles of the work is scheduled to be installed by the end of 2011.
- Splicing and testing continues and with opportunities to accelerate that effort through the end of the year.
- Construction progress and coordination meetings continue with the Vermont Distribution Utilities.
- Scoping visits continue and surveying, when required, is being completed to support engineering.



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- **Risks, Challenges, and Management Items:**

- Ensuring schedule coordination among the project stakeholders, in particular reviewing lit fiber deployment schedules with the affect DUs.
- Making sure that material is ordered well in advance of construction.
- Ensuring that review of preliminary design work is complete and rationalized to goals of the project (example make ready change out rates on all segments).
- Managing the impacts and opportunities presented by the merger of GMP and CVPS.
- Availability of qualified resources to string the fiber (lately storm events have resulted in crews leaving for storm restoration).
- Reviewing winter construction efforts.

