



To: Operating Committee
From: Thad Omand
Re: GMP/CVPS Merger
Date: October 11, 2012

The merger of GMP and CVPS impacted all five functions that VELCO's power accounting department performs: scheduling, metering, settlement, billing, and resettlement. The process combined the unique contracts and interconnections of CVPS into GMP's calculations while eliminating any intercompany calculations. Below is a brief explanation of the steps taken for each area.

Scheduling:

1. Combined the GMP and CVPS joint contract obligations for both HQ and NYPA contracts
2. Created the capability for GMP to schedule Block Load deliveries.

Metering:

1. Built capability to continue to accept files from both GMP-North and South and combine them into one preliminary load value (UTL)
2. Transferred CVPS sub-transmission loss (SLAL) calculations to GMP
3. Eliminated SLALs between the two companies
4. Adjusted GMPs VELCO loss allocation load credits (NLL) for support by others than VELCO for those previously received by CVPS
5. Transferred generation attached to CVPS system to GMP's load calculation (PGEN)
6. Verified scheduling block Load properly flowed into metering calculation
7. Updated VEPPI ownership percentages with ISO through updated asset registrations
8. Adjusted SPEED ownership percentages to reflect combined company
9. Moved Woodsville adjustment to GMP

Settlement

1. Combined processes for allocation of market activity including joint contracts
2. Ensured underlying combined scheduling and metering data flowed to settlement processes.

Billing

1. Ensured HQ billing processes properly captured scheduling and settlement data for allocation
2. Ensured ISO-market bill properly captured settlement data for allocation of costs
3. Ensure VTA transferred IGAP credits and specific facilities to GMP and programed combined company coincident and non-coincident peaks for proper PDP calculation.

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Resettlement:

1. Validated required changes in metering were replicated into resettlement.

In the new power accounting system each function is date driven. This allowed us to perform these changes and test the processes in advance of the merger. As a result we had a great deal of confidence on the October 1 that the process will perform as required and it did for scheduling, metering, and settlement. The billing and resettlement processes have been tested but will not be performed until the end of the month for billing and mid-December for resettlement.

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