



**Operating Committee Update
Power Accounting Open items
May 7, 2012**

1. True-up agreement – Completed a call with FERC staff on May 3, 2012. Received response from ISO legal with their changes on May 4, 2012. Are in the process of obtaining signatures to complete the filing.
2. Highgate Metering – ISO-NE indicated losses from the border through the converter are included in the daily loss number provided to VELCO. VELCO is not including the losses in its daily load calculation. If the losses are included in the ISO-NE report Vermont they are being double deducted. This process has been occurring since early 2007 as the converter was moved to PTF. VELCO is waiting for ISO-NE to confirm what is included in the daily loss number. This change would increase Vermont's annual power supply by an estimated \$1.5 million.
3. Blockload values – VELCO currently includes the value of the blockload contracts as the value of the load being supported by Canada. This allows each utility receiving party to the blockload contract to receive credit against their New England load settlement. The difference between the contract values and actual load being served is settled between VEC and HQ. ISO-NE believes the actual deliveries should be included in the hourly load calculation. This would increase VEC's load at the peak and impact their transmission charges.
4. Readsboro purchase – When CVPS purchased GMP the tie was to be added to the other four GMP/CVPS interconnections in the southern part of the state. These are the same four ties we recently experienced an issue with that led to the FERC filing. On September 1, 2012 the GMP preliminary tie load was not modified to include the additional tie while CVPS's load calculation was. As a result GMP's load has been overstated since September 1. The load is too small to qualify for an RBA (request for billing adjustment) at ISO-NE. VELCO will resettle March and April. The estimated cost of this adjustment is \$50,000.
5. Sub-hour settlement – ISO-NE recently held a conference call of the New England meter readers. ISO-NE requested that each meter reader prepare an estimate of the cost to convert their systems and processes to provide sub-hourly meter readings, preferably 5 minute intervals. VELCO will begin this process with the metering forum.
6. Commissioning process – VELCO has prepared its first commissioning documentation for the May 1 HQ contract changes. The process models the steps and documentation recently adopted in VELCO's project commissioning process. The process includes both pre and post energization steps. In the near future these documents will be signed by all effected parties.

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