

The VELCO logo is in a bold, white, sans-serif font. The background of the slide features a scenic view of Vermont mountains with autumn foliage in shades of orange, red, and yellow. In the foreground, several transmission towers are visible against the landscape.

VELCO

VERMONT'S TRANSMISSION RELIABILITY RESOURCE

VELCO and VT Transco Transmission Administration Manual

Operating Committee Meeting
October 18, 2012

Background

VELCO Board established VTA working group in 2008 in aftermath of Lamoille County dispute at FERC to examine VTA and propose improvements. Recommendations of working group adopted by board included:

- Establishing new Operating Committee (OpCom)
- Adopting proposed Vermont Transmission Administration Manual (VTAM) that describes VT Transco business practices to implement VTA but does not amend it
- Dissolving existing VELCO Board Operating Committee

Operating Committee

- Intended to assist VELCO in becoming more responsive and accountable to its DU members
- Made up of representatives of VELCO, certain DUs (those with percentage ownership > 4%) and VPPSA
- Advises VELCO on tariff administration, and operational and strategic issues
- Determines Specific Facility Cost Allocation when DUs cannot reach speaking agreement (arbitration and litigation always available to DUs)
- Reviews and makes recommendations re VTAM
- Reviews and provides input on transmission projects and long-range plans
- Reports to VELCO CEO
- Members appointed by DUs in consultation with VELCO CEO

- Explains VT Transco business practices necessary to implement VTA
- Defines a Cost Allocation Procedure to resolve allocations before CPG filing and describes respective roles of VELCO and Dus
- Outlines responsibilities of OpCom
- Is a “living” document to be amended to include protocols for implementing VT Transco’s tariffs (VTA, SPA, Schedule 21, etc.)

Organization/Contents of VTAM

- Revision Protocol (describes process to be utilized to amend VTAM)
- Introduction (includes description of principles to guide users of VTAM (inc OpCom))
- Section 1 Definitions
- Section 2 Operating Committee (responsibilities and bylaws)
- Section 3 Cost Allocation Process (for transmission facilities and substation facilities)
- Section 4 **Placeholder** for Procedures Regarding Administration of the VTA
- Section 5 **Placeholder** for Procedures Regarding Administration of Other VT Transco tariffs
- Section 6 Milestones for Project Accounting (i.e., milestones that must be reached for a proposal to become a VT Transco project)
- Section 7 **Placeholder** for Responsibility for Reliability Requirements
- Section 8 Arbitration (describes process to be used for dispute resolutions)
- Appendices

Of Note

- Revision Protocol
- Placeholders in document
- Membership, quorum, attendance at meetings (bylaws)
- Requirements for posting on website, reports to BOD
- Cost allocation process