

## **VELCO Operating Committee Final Meeting Minutes**

Thursday, November 18

11:00 a.m.

Location: Vermont Electric Power Company (VELCO)

**Committee Members present:** Ken Couture (GMP), Ken Mason (VPPSA-Lyndonville-Vice Chair), Greg White (CVPS), Kevin Perry (Vermont Electric Cooperative), Tom Dunn (VELCO-Chair), Thad Omand (VELCO),

**Others present:** Chris Diebold (VELCO), Allen Stamp (VELCO), Kerrick Johnson (VELCO)

- I. **Opening Remarks**
  - Tom Dunn welcomed the group and reviewed the agenda
- II. **Minutes of October 21, 2010 meeting**
  - Under motion duly made and seconded, the minutes as amended of the October 21st meeting were approved as submitted.
- III. **Review of ISO New England Planning Studies**
  - Chris Diebold of VELCO's planning department reviewed the most recent Vermont/New Hampshire planning information.
  - Chris reviewed the planning criteria used for the studies and the operating committee had an opportunity to ask questions around the criteria.
  - Discussion revolved around the conservative nature of the "stressed case" which assumes that two critical facilities out of service.
  - The team is concerned about the issues around Vermont Yankee and its impact upon the system and the individual Vermont utilities.
  - Ken Couture commented that there may be concern that a Vermont centered approach would be more favorable than having solutions derived entirely by ISO NE.
- IV. **Telcom Operating Committee**
  - Mr. Stamp gave an update of activities regarding the formation of the sub-committee. He also presented a draft agenda for the kick off meeting. There are still a couple of DUs that need to provide resources to the committee-once the roster is complete then the committee will meet. Greg White will serve as a sponsor from the Operating Committee.
- V. **Fiber Project Status (including electronics cost allocation)- Greg White**
  - Mr. White provided a status on the fiber project. Make-ready work is underway in Rutland area and the Poultney area Mr. Stamp reviewed a status of the costs and options for cost allocation (see attached).
  - The Operating Committee agreed that the team should continue development of the allocation options and keep the committee informed of progress as an ongoing agenda item. Once the committee is comfortable with an approach then the committee will provide a recommendation to the board of directors.

- Mr. Stamp also reviewed the “Fiber Segment Tracker” with the committee which is used to understand the “construction ready” status of each segment of the work.
- Mr. Couture requested a list of substations that are part of the project.

**VI. Power Supply Agreements**

- Kerrick Johnson from VELCO provided an update on VELCO’s role or ambiguous role in helping with Vermont issues around power supply agreements. VELCO does not purchase power. However, the ownership structure of TRANSCO and the need to insure transmission will support the purchase external entities will first approach VELCO about supplying power to Vermont. VELCO wants to assist with insuring the power supply needs of Vermont are met but is in a difficult position since it is not the ultimate purchaser of the power. VELCO will continue working closely with the DUs to insure Vermont’s power supply needs are met.

**VII. VTA PDP load credits-**

- The committee members discussed how to define backup service. It was determined that “backup service” in the VTA will be defined as the ability to support the load in an area 100% of the time. In the context VELCO planners reviewed five specific areas that currently receive credit in the VTA calculation with the following results:
  - GMP Barnet load normally being supported by National Grid on the 3316 line out of Comerford is able to be supported at peak loads from VELCO’s Barre and/or Berlin substations at the peak and therefore should not receive credit in the future.
  - GMP load in the southern part of the State normally supported by National Grid from the Harriman end is able to be supported from VELCO’s Bennington substation at peak loads and therefore should not receive credit in the future.
  - The load in the Southwest of the state served off of National Grid’s G33 line
    - For CVPS was determined to be normally fed from VELCO’s new Vernon substation and therefore should not receive credit in the future.
    - For GMP was determined to be able to receive backup service from VELCO’s Vernon substation at the peak and therefore should not receive credit in the future.
  - The load in the Ryegate area normally served by National Grid on the 3324 line
    - For CVPS was determined to be able to receive backup service from VELCO’s Hartford substation at the peak and therefore should not receive credit in the future.
    - For GMP it is able to received backup service if the Historical loads are approximately 1 MW with the Ryegate wood plant off. GMP confirmed the historical peak load for this area is 1.38MW. As a

result VELCO is able to support this load and GMP will no longer receive credit

- VEC currently receives credit for three PSNH ties. Two of these ties receive backup service from VELCO's Chelsea or Newport substation. VEC will request individual reads from PSNH to provide the third tie point (Canaan area) for credit at the peak. The Canaan area is not physically connected to VELCO's system.
- VELCO performed a quick analysis and determined that VELCO is capable of supporting GMP's Waterford area at peak load. GMP will perform an analysis to determine if they should receive credit for the Stamford area.
- The group discussed a small territory that CVPS has supported off of the NY system. It was determined that this load is paid directly to the supporting entity and does not get submitted to ISO and therefore should not receive credit.

**VIII. Update on work of Metering Forum-Thad Omand**

- The metering forum held a joint CVPS/GMP meeting to resolve specific items between the two entities. The forum is resolving a few small items and completing the documentation of load calculations.

**IX. Other business**

- The group agreed to have an ongoing review of the VY study and related analysis updates to OC agenda.
- Thad Omand will contact Morrisville for further direction on the B-22 issue.

**X. Other business – B22**

- The financial allocation of losses flowing through Morrisville's system if losses were allocated per tariffs was reviewed for January to September 2010. The following were the results
- Total dollars of losses flowing over the B22 were \$76,526. This would be a credit to CVPS and a charge to GMP
- Total dollars of losses flowing out of Morrisville's system into the Stowe substation was \$11,399. This would be shared on a load ratio basis between Stowe and GMP for \$9,477 and 1,922 respectively.
- Total dollars of losses flowing out of Morrisville's system over the green river switch was \$21,359. This would be credited to Morrisville and charged to GMP.
- GMP would then receive credit from Hardwick for their load that was supported by the power flowing out of Morrisville's system and from GMP's system. The credit to GMP for Hardwick's entire load would be \$39,163.
- The final result is as follows:
  - Morrisville \$43,768 charge = (\$76,526 - \$11,399 - \$21,359)
  - CVPS (\$76,526) credit

- Stowe \$9,477 charge
- Hardwick \$39,163 charge (this currently is performed)
- GMP (\$15,882) credit =  $(\$21,359 + 1,922 - 39,163)$
- Total \$0