

**VELCO Operating Committee (OC)
Final Minutes**

November 21, 2013, 11 a.m. – 3 p.m.
GMP Montpelier Office

Participating members: Ellen Burt (Stowe Electric Department), Ken Couture (Green Mountain Power), Tom Dunn (VELCO), Ken Mason (Vermont Public Power Supply Authority), Craig Myotte (Morrisville Water & Light), Bill Powell by phone (Washington Electric Cooperative), Paul Renaud (VELCO), Jeff Wright (Vermont Electric Cooperative), Patricia Richards by phone (Washington Electric Cooperative)

Other participants: Frank Etori (VELCO), Deena Frankel (VELCO), Roger Hill (Weathering Heights Consulting), Kerrick Johnson (VELCO), Mike Loucy (VELCO), Dan Nelson (VELCO), Jason Pew (VELCO), Allen Stamp (VELCO), Ron Welch (VELCO)

<p>Next meeting</p> <p>December 19, 2013 11 a.m. – 3 p.m.</p> <p>GMP Montpelier Office</p>

Meeting opening

- Mr. Dunn opened the Operating Committee (OC) meeting at approximately 12:10 pm.

Safety topic

- Mr. Dunn discussed being prepared for fires as we enter the heating season with a reminder to familiarize ourselves with the location of fire extinguishers, their maintenance and operation. Mr. Renaud stated it's a good idea to hang the fire extinguishers vs placing them on the ground where they may be exposed to corrosion and premature failure.

Minutes approval

- Mr. Wright moved and Mr. Mason seconded approval of the minutes of October 17, 2013, which were approved without dissent.

Telecommunications

- **Fiber Project update**
 - Mr. Loucy reviewed the fiber project update materials provided to the OC.
 - Mr. Wright discussed that the Vermont Telecommunications Authority (VTA) has purportedly taken control of the former North-Link fiber network located in the northern part of Vermont. This asset may be an economical resource in the future for fiber connectivity needs in the area.
- **Statewide Radio Project (SRP) update**
 - Mr. Nelson presented the SRP materials provided to the OC.
 - Mr. Wright asked if VELCO had pursued a monetary settlement with the Wells land owners. Mr. Dunn responded that VELCO has tried to reach an agreement with the property owners but their proposal has been unreasonable at approximately \$1 million. Mr. Nelson stated it's likely this site will go to court to get finalized.

- Mr. Wright discussed the implementation of the radio console located at Vermont Electric Cooperative office has been a challenge and will continue to coordinate with VELCO to work through any issues.
- Mr. Wright asked about mutual aid situations and if the radios are configured to communicate between distribution utilities (DU). Mr. Nelson responded that the radios all have a storm group configured as part of the radio set up which can facilitate inter-utility communications.
- Mr. Dunn asked if the DU's have been made aware of how to use this functionality. Mr. Nelson responded that part of the radio training being provided to the DU's includes this functionality and practicing or setting up an inter-utility exercise would be helpful.
- **Draft Network Access Agreement**
 - Mr. Nelson presented the materials provided to the OC.
 - Mr. Nelson discussed the early retirement of assets and how the costs would be treated. If a DU requested to retire an asset, VELCO would review the costs and payment history and verify the costs associated with the asset had been recovered to ensure no cross subsidization between DU's occurs. In the event the assets cost have not been recovered, VELCO will develop an invoice for the benefitting DU.

Power Accounting Update

- Mr. Etori presented the materials provided to the OC.

ISO Issues

- Mr. Etori presented the materials provided to the OC.
- Mr. Johnson asked what the average size of the recently approved solar generation plants has been. Mr. Etori responded the average is approximately 2 to 3 Megawatts but New England has one location with almost 10 Megawatts.
- Mr. Etori discussed the recent meetings with the ISO-NE board of directors and NE regulators. He discussed the potential need for future capacity in our region and suggested the region would be better if the capacity was installed where it solved a reliability deficiency. He suggested the North east Massachusetts zone was a good example of this.
- Mr. Etori discussed the resultant voting for the Order 1000 cost allocation for public policy transmission projects. Mr. Dunn suggested that as ISO-NE approves additional distributed generation and associated transmission upgrades throughout New England the socialization of the costs will challenge VELCO's ability to reduce transmission costs.
- Mr. Wright asked if the plan is to take the cost allocation challenge to FERC for some relief. Mr. Etori responded the current strategy is to first approach MMWEC, NH, and RI. If there is enough interest in these parties we might consider filing a different cost allocation proposal to FERC.

Storm Preparedness

- Mr. Hill reviewed the presentation provided to the OC.
- Mr. Dunn asked the members if they thought we should be preparing for a larger or more intense storm event than the current standards. Mr. Hill responded that in his opinion Vermont should plan for a more severe storm event.

- Mr. Couture discussed that in 2012 GMP spent approximately \$16M in storm repair of which \$9 to \$10M were from 4 specific storms.

Merchant Transmission

- Mr. Dunn presented the materials provided to the OC.

Other business

- No other business was discussed.

Proposed agenda topics

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Adjournment

- Mr. Mason moved and Mr. Couture seconded adjournment, which was agreed to without objection at approximately 2:40 pm.