

## VELCO Operating Committee

### Minutes

November 18, 2008

The Operating Committee for Vermont Electric Power Company, Incorporated was held at VELCO, 366 Pinnacle Ridge Road, Rutland, Vermont and was called to order by the Chairman, Neal Robinson.

In attendance were Bill Deehan, John Donleavy, Judy Frazier, Ernie Hiatt, Craig Kieny, Ken Mason, Ken Nolan, Thad Omand, Neal Robinson.

Mr. Robinson gave an overview of the agenda and Mr. Donleavy gave opening remarks. Mr. Donleavy's comments touched on the role of this committee in creating guidelines and facilitating dispute resolution, both of which will "help keep the lights on". He thanked everyone for the tariff discussions in the VTA Working Group.. He mentioned that we are moving forward with strategic planning and VELCO will hold meetings with the Board of Directors in January, March and May of 2009.

Mr. Robinson addressed the VELCO website where the V-TAM is posted for public viewing. In addition the Agenda will be posted to this site and mailed to all members as well. He nominated Judy Frazier to serve as the Secretary to the Committee and all agreed to have her take on the role. The Committee then unanimously elected Don Rendall as Vice Chair of the Operating Committee. Mr. Robinson requested that each member of the Committee submit to John Donleavy an Alternate to serve in their absence as provided for in the V-TAM. It was decided by the Committee that they will meet monthly on the third Thursday of every month from 11am to 3pm. Locations will be rotated between various geographic locations..

The website is currently under construction. In the future it is hoped that the agenda will be posted to the webpage and there will be a button to click for Committee members if they wish to add an item to the agenda. When the posting comes in VELCO will add it to the schedule and an automatic email will be triggered to all members of the committee with an updated agenda. Passwords will be given all members for access to confidential materials and information that will not be available to the public. Materials will stay in a private folder and posted in meeting minutes after a meeting is held and minutes are approved.

If a significant issue is raised by a member, the committee will discuss it at a meeting but will not take action until a subsequent meeting. This allows time for committee members to review the issue with associates in their home utility prior to a committee vote.

Relative to the Lamoille County specific facility shares, Mr. Robinson asked whether membership on the Committee should be based on the commitment to buy or when actual shares are purchased. The Committee agreed that ownership of the shares, not the commitment to own the shares, would be used to determine membership as defined in the V-TAM.

A slide presentation was given on both Benchmarking and the VT Transco 2009 Budget. Changes from 2008 to 2009 were presented and discussed. The budget showed an increase of \$1,525,000 due to additional costs that didn't exist in 2008, including VSPC, NERC compliance and condition based maintenance.

Thad Omand handed out a form entitled "Operating Committee Request for Decision". The question being raised was whether costs that are incurred due to requests by utilities should get billed to those utilities or allowed to flow through the VTA. During the discussion the question was also asked whether it was necessary for VELCO to provide Power Accounting services. Bill Deehan said we had to provide the service as administrative support, but not the analysis piece. It was decided that Mr. Omand would return next meeting with a recommendation as to where to draw the line as to what should flow through the VTA and what will be billed to individual owners.

The Committee discussed the process to be followed when cost allocation disputes need to be resolved by the Operating Committee. Various approaches were considered. The Committee agreed to ask Leslie Cadwell to develop and propose the procedures to be used by the Committee during the dispute resolution period.

The meeting concluded and the next meeting will be held on Thursday, December 18<sup>th</sup>. The location will be determined and noticed to all members.

Respectfully submitted,

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Judy Frazier, Secretary

Judy Frazier