

Patty Smith

Subject: Proposed Amendment of VTAM
Attachments: VTAM Effective Date Nov 1 2008 with proposed amendments 7 15 13.pdf; VTAM Effective Date Nov 1 2008 with proposed amendments 7 15 13.doc

In accordance with the Revision Protocol in VELCO and Vermont Transco's Transmission Administration Manual (VTAM), VELCO by this e-mail and by posting on the VELCO Operating Committee website ([Op Com](#)) is notifying the PSD, VPPSA and all distribution utilities about proposed amendments to that document, as described below.

As you know, several of our utility owners urged in the context of the GMP/CVPS merger proceeding that all Vermont distribution utilities with an ownership interest in VT Transco be allowed to participate fully as members of the VELCO Operating Committee, and GMP agreed to support that position. Proposed amendments to the VTAM that would effectuate that membership proposal are shown in redline format on the attached copy of the VTAM (Word and .pdf). **Please provide any comments regarding the proposed amendments to the VTAM administrator via a response to this e-mail by Wednesday, August 21. VELCO will assure distribution of all comments to the Operating Committee.** The Operating Committee will consider all comments along with the proposed amendments at its September meeting. When a decision is made regarding the proposed amendments, you will be notified via e-mail and posting on the Operating Committee website.

By way of background/reminder, the Operating Committee Bylaws, which are part of the VTAM, specify that the "permanent voting members" will comprise representatives from each DU that has a percentage share greater than 4% of VT Transco (including each DU's percentage share of VELCO's percentage share in VT Transco). Each of the "permanent voting members" has a single vote (except for VELCO, which has three members, but no vote except in cost allocation discussions where it has one vote). When the OpCom considers cost allocation issues, additional members are appointed to represent the interests of benefiting DUs that do not have a permanent voting member (even if they are normally represented by VPPSA collectively). The amendment would allow each DU with a membership interest in VT Transco that elects to participate directly and regularly in the OpCom to do so and to vote on a one-vote-per-company basis, with VPPSA having one vote for the DUs it represents on the OpCom collectively. VPPSA members would not need to leave VPPSA to get their own seat at the table, but they would need to recognize the commitment of members to active participation (already stated in the VTAM) for the sake of maintaining an effective committee. In addition, an amendment is proposed to make it clear that a single individual appointed as a representative for both VPPSA and a DU may cast a vote on behalf of each entity.

As previously mentioned, a copy of the VTAM showing the proposed changes is attached. The provisions of the VTAM dealing with membership and voting are Sections 2.10 and 2.110. The suggested amendments to these sections are shown in redline format.

If you have any questions regarding these amendments, please feel free to call me at the number below. FYI, I have recently been appointed VTAM administrator; Tom Dunn will continue to serve as chair of the Operating Committee.

Regards,

Patty Smith for Karen O'Neill

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