

**Lamoille County Project
Proposed Improvements
ENVIRONMENTAL IMPACT MEMORANDUM
July 11, 2008**

This memorandum addresses the impacts of the recent design improvements to the Lamoille County Project (“LCP” or “Project”) on the natural resources of the Project area. In summary, because there will generally be a reduction of the poles and concrete foundations, the improvements will not increase the impact to natural resources. In the few instances where structures will be relocated, these design improvements will not have an undue adverse impact on any of the natural resources listed below.

Air Quality

The proposed LCP improvements will not cause additional impacts to air quality (including noise) other than what has been predicted with respect to the original general construction activities associated the construction of the LCP. VELCO believes that the Board has already taken into account these potential minor impacts and determined that the Project will not result in an undue adverse effect on air quality.

Outstanding Resource Waters

The proposed LCP improvements will not be located in or proximate to any Outstanding Resource Waters.

Headwaters

Most of the proposed LCP improvements are changes of structure type; however, some structures will be shifted slightly and/or will be removed altogether. It is VELCO’s opinion that this slight re-adjustment of structure type or location will have no undue adverse affect on headwaters.

Floodways

The LCP design improvements will not alter any structure located within the Winooski River floodway or flood fringe. Therefore, the LCP improvements will have no additional impacts on the Winooski River’s ability to communicate with its floodplain which have not already been approved by the PSB.

The location where the LCP corridor spans the Little River has been altered slightly. The location of structure 110 has been shifted north-northeast approximately 110 feet. This design change allowed for the abandonment of formerly proposed structure LCP-111 (GMP-24, which was located within the associated Little River floodway). As such, the proposed LCP design improvements will have a lesser impact on the Little River floodway than the previously approved design.

Streams

There will be no additional impacts to streams associated with the proposed LCP improvements. The proposed structure locations have not changed in a manner that will create additional stream impacts. Additionally, all stream crossings will be constructed in accordance with VELCO's Stream Crossing Plan, which has been approved by the ANR's River Management Section. Therefore, there will be no adverse impacts to streams associated with the proposed LCP improvements which have not been previously approved as part of the LCP.

Shorelines

There will be no additional impacts to shorelines associated with the proposed LCP improvements. The only shorelines that the Project will impact are a portion of the south and north sides of the Waterbury Reservoir. The location of the right-of-way will remain as previously approved. Additionally, the proposed LCP improvements will have less of an impact to shorelines because the proposed structure along the southern edge of the Waterbury Reservoir will be located further to the south (within the previously approved right-of-way), thereby reducing potential impacts to the shorelines of the Waterbury Reservoir.

Soils

The minor changes associated with the LCP improvements will not result in adverse soil impacts including erosion and/or sedimentation. VELCO developed a comprehensive Erosion Prevention and Sediment Control Plan for the project, which has been approved by the VT DEC, and VELCO has subsequently received an Individual Stormwater Discharge Permit #5522-INDC for the LCP. VELCO is committed to ensure that all necessary EPSC measures will be implemented appropriately. Because the proposed improvements will be constructed utilizing similar practices as originally proposed and the amount of soil disturbance will be comparable to the original design, there will be no adverse impacts to soils associated with the proposed LCP improvements.

Wetland Resources

As a result of the LCP improvements, some structures have been relocated. Generally, the improved design locates structures within areas previously authorized for temporary impacts, as outlined in VELCO's ACOE Section 404 Individual Permit NAE-2004-3177 and VELCO's ANR Conditional Use Determination 2004-410. The majority of the steel structures associated with the original design have been changed to laminate wood pole structures. These laminate structures are designed to utilize guy anchors when necessary for stability in order to meet engineering specifications. Unlike the steel structures previously proposed in these locations, the laminate structures do not require drilled concrete foundations. Due to the need for access and space needed to install these anchors, which were not previously accounted for, there will be a need for minor increases of temporary impacts within wetlands and associated buffers.

Currently VELCO is preparing the appropriate wetland permit amendments for the LCP line design improvements. At this point the calculations of the wetland impacts have not been finalized. VELCO is fairly certain that temporary wetland impacts will increase

slightly, due to the necessary access for the installation of additional guy anchors required for improved line design. Based on preliminary evaluations, the permanent impacts may shift location slightly, however it is not anticipated that they will increase or decrease significantly. Final calculations will be provided in the appropriate permit amendments to the ACOE and the ANR. VELCO and its contractors will comply with any additional or changed permit conditions that may result from the agencies review of permit amendment requests.

Rare, Threatened or Endangered Species (RTE)

All areas associated with the project, including the ROW, access routes, pull boxes, and work areas, have been thoroughly assessed for RTE. No RTE have been identified within the Project's area of potential effect. Therefore, there will be no impacts to any RTE species.

Rare and Irreplaceable Natural Areas

No Rare and Irreplaceable Natural Areas have been identified in the vicinity of the Project. Therefore, there will be no impacts to Rare and Irreplaceable Natural Areas associated with the proposed improvements.

Wildlife Habitat

All impacts to Wildlife Habitat associated with the Project have been fully assessed through the initial 248 process. There will be no undue adverse impacts to wildlife habitat as a result of the improvements because the majority of the proposed improvements are changes to structure types and there are only minor deviations from the previously approved right-of-way. The general construction activities will follow the same methodology as the previously approved design.