

Attorneys at Law

PRIMMER PIPER  
EGGLESTON & CRAMER PC

Burlington

Montpelier

St. Johnsbury

Gary H. Barnes  
Victoria J. Brown  
James E. Clemons  
Anne E. Cramer  
Denise J. Deschenes

Jon R. Eggleston  
Gary L. Franklin  
Jeffrey P. Johnson  
Gary F. Karnedy

Paul J. Phillips  
William B. Piper  
Stephen A. Reynes  
Gail E. Westgate  
Douglas J. Wolinsky

Andrew K. Braley  
Elijah D. Emerson  
David P. Hall  
Shireen T. Hart

Keith M. Jones  
Cassandra C. LaRae-Perez  
Lagretta D. Nickles (MA&NY only)  
Russell A. Young

Keith A. Roberts  
Randall L. Wachsmann  
Joslyn L. Wilschek

**Of Counsel**  
Martin K. Miller  
John L. Primmer

Patricia L. Rickard  
Neil Wheelwright

**Gov. Relations**  
James F. Feehan

March 30, 2007

Susan Hudson, Clerk  
Vermont Public Service Board  
112 State Street, Drawer 20  
Montpelier, VT 05620-2701

Re: PSB Docket No. 7032 – Lamoille County Project (“LCP”)  
Final Line Design for Gregg Hill Reroute

Dear Mrs. Hudson:

On March 9, 2007, the Public Service Board (“Board”) issued an Order re Approval of Design Plans proposed by Vermont Electric Power Company, Inc., and Vermont Transco LLC (together as “VELCO”). In that Order, among other things, the 115 kV design plans filed with the Board were approved, except for the Gregg Hill Road area from the point it reaches the Murray property to the point where it rejoins the existing corridor.

The Board encouraged all parties to work expeditiously to file final design plans, with the best solution for this area appearing to be the second reroute as proposed. However, being mindful of the concerns ANR expressed regarding the second reroute, the Board encouraged parties to file a proposed reroute that would be acceptable to all parties.

Enclosed please find an original and six copies of the final line design for the Gregg Hill area, along with additional sheets as described below.

VELCO, ANR and the Gregg Hill Residents (“GHR”) have had numerous discussions and on March 15, VELCO, with input from GHR, met with the ANR in Montpelier to discuss and resolve the outstanding issues in the Gregg Hill area. Prior to this meeting, ANR offered possible modifications to the second reroute that addressed the east end of the Murray property. At the meeting, in discussions among the parties, and after weighing the costs and benefits of forested wetlands, possible deer wintering yard, changes in pole locations, etc., it was determined that ANR’s alternative to the second reroute is the most feasible solution, and that is what VELCO is filing today. After discussions with ANR, VELCO is confident that the limited amount of field work that the

ANR proposal will require can be accomplished, and ANR's review of the necessary permits can be completed in a timely manner. Response from the GHR landowners has been receptive and VELCO understands that they are committed to supporting the third alternative. At this point, VELCO is confident that the risk associated with the consideration of this new and to-date unexplored design is limited.

As you review the enclosed Gregg Hill plans, please note the following:

The line is as filed through page L051-007 until just north of the southern boundary of the Lillis property (just past structure #LCP-67). At #LCP-68, the line moves at an angle across the Lillis property through approximately the center of the Murray property to structure #LCP-72 (previously filed as LCP-74), where it angles west into the original Gregg Hill reroute and then angles north at #LCP-73 joining the existing right of way at structure #LCP-75 (previously filed as LCP-77).

When VELCO was originally asked about rejoining the existing right-of-way at the end of the Murray property, a line was drawn from the existing route through structure #LCP-73 directly to the existing right-of-way. When VELCO actually engineered this reroute, it determined that a much better way to proceed would be to remove the angle structure that would be needed at the beginning of the entrance to the existing right-of-way and instead approach the right-of-way more gradually, thus eliminating the need for two concrete foundations and steel structures at the beginning of the wetland.

As the Board will recall, in VELCO's filing dated November 17, 2006 where VELCO reported on settlement of all issues (other than Harvey), it stated that,

In summary, VELCO believes that with the possible exception of the Harvey property, the project is ready for final approval. Once the Board gives final approval, VELCO will immediately begin revising its final plans to be consistent with the agreements it has reached with the DPS and ANR and will file those plans as soon as possible.

The agreement reached with ANR concerning Little River has already been filed and included in today's filing are sheets incorporating the other agreements. Specifically:

Page L051-001. During the comment period in October of 2006, David Raphael, the aesthetic consultant for the DPS, requested that LCP-8 be moved approximately 38' north into the fenced-in I-89 right-of-way. VELCO has worked with VT Trans and has gained their acceptance of this move.

Page L051-003. As a result of VELCO's commitment to lower pole heights, as discussed in VELCO's filing of November 17, 2006, and in response to a DPS request to locate

structures back from road crossings, VELCO has arranged with GMP to re-design the distribution crossing at Crossroads Road in Waterbury, resulting in two structures (LCP-22 and 23) being decreased in height and LCP-22 being moved 35' south or back from the road crossing. The affected landowner has agreed to and, in fact, appreciated the move.

In addition, two minor errors have been found and are hereby corrected:

Pages L051-014 and 015. Structures LCP-232.2 & .8 were previously shown as H-frame in error. It has always been VELCO's intent to construct using Single pole davit and that drawing error was just noticed.

Page L051-LV-001. Structure numbers for the GMP Blush Hill Switch structures were added, which were missed in the original filing.

Finally, a minor adjustment to pole locations, within the right-of-way and on the existing pole line is necessary at Shaw Hill.

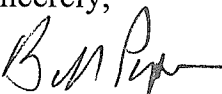
Pages L051-012 and L051-LV-008. During a field review in the Shaw Hill area, VELCO discovered that an existing spring, which VELCO had been told was not used, was actually the subject of an easement to a neighbor across the road. In order to avoid placing a pole in or directly adjacent to this existing spring, poles will be moved 10 to 12 feet, still within the center line of the existing right-of-way.

With the Gregg Hill settlement, the Lamoille Project is ready for Board approval in its entirety. It is vital that VELCO receive Board approval of the Gregg Hill reroute as soon as possible.

We understand that with this filing, the Board and parties now have a variety of filings and updated and/or revised pages to the final line design. Once the Board-ordered two-week comment period has expired and these issues are finalized, VELCO will prepare a "clean" set of the entire Project line design, incorporating all the changes and updates to the design, and will provide this filing to the Board and all parties.

Please feel free to contact me if you have any questions or concerns. We will respond as quickly as possible.

Sincerely,

  
William B. Piper

Mrs. Susan Hudson  
March 30, 2007  
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CC: Service List, PSB Docket No. 7032  
Steven Means, VELCO  
James Giffune, VELCO  
John Donleavy, VELCO

SERVICE LIST - PSB DOCKET NO. 7032

Geoffrey Commons, Esq.  
June Tierney, Esq.  
Vermont Department of Public Service  
112 State Street - Drawer 20  
Montpelier, VT 05620-2601

David Englander, Esq.  
Vermont Agency of Natural Resources  
103 South Main Street - Center Building  
Waterbury, VT 05671-0301

Meghan Purvee, General Counsel  
Agency of Natural Resources  
Forest, Parks and Recreation  
103 South Main Street  
Waterbury, VT 05671

Peter H. Zamore, Esq.  
for Green Mountain Power Corp.  
Sheehey Furlong & Behm P.C.  
Gateway Square, 30 Main St., PO Box 66  
Burlington, VT 05402-0066

Thomas N. Wies, Esq.  
Vermont Electric Power Company, Inc.  
366 Pinnacle Ridge Road  
Rutland, VT 05701

Joseph S. McLean, Esq.  
for Town of Stowe Selectboard  
Stitzel, Page & Fletcher, P.C.  
171 Battery Street, P.O. Box 1507  
Burlington, VT 05402-1507

William F. Ellis, Esq.  
for Burlington Electric Dept.  
McNeil, Leddy & Sheahan  
271 South Union Street  
Burlington, VT 05401

Munir Kasti, P.E.  
Burlington Electric Department  
585 Pine Street  
Burlington, VT 05401

Christopher Walsh, Regional Planner  
Central Vermont Regional Planning Commission  
29 Main Street, Suite 4  
Montpelier, VT 05602

William Rossmassler, Assistant Director  
Lamoille County Planning Commission  
43 Portland Street, P.O. Box 1009  
Morrisville, VT 05661

William D. Orr  
Coordinator for Group of Property Owners  
1442 Gregg Hill Road  
Waterbury Center, VT 05677

Julie Kelliher, Esq.  
Division for Historic Preservation  
Agency of Commerce and Community Dev.  
National Life Office Building, Drawer 20  
Montpelier, VT 05620-0501

David M. and Denise B. Russo  
212 Blush Hill Road  
Waterbury, VT 05676

Frederick W. Weston, III  
Town and Village of Waterbury  
51 South Main St. - P.O. Box 9  
Waterbury, VT 05676

James A. Dumont, Esq.  
for CAPLO  
15 Main St., PO Box 229  
Bristol, VT 05443

Richard A. Saudek, Esq.  
for Affected Property Owners  
and the Hathaways  
159 State Street  
Montpelier, VT 05602

Joe and Pam Greene  
Meadow Crest Lane Home Owner's Assoc.  
#2 Meadow Crest Lane  
Waterbury, VT 05676

William Driscoll, Vice President  
Associated Industries of Vermont  
PO Box 630  
Montpelier, VT 05601

James A. Harvey  
Thomas Harvey  
1293 River Road  
Waterbury, VT 05676

Catherine Gjessing  
Chair, Duxbury Planning Commission  
Town of Duxbury  
5421 VT Route 100  
Waterbury, VT 05676-4441

Jerry & Mary McDermott  
644 Gold Brook Road  
Stowe, VT 05672

Serefina and Susan Bueti  
226 Blush Hill Estates  
Waterbury, VT 05676

Peter F. Langrock  
111 So. Pleasant Street  
PO Drawer 351  
Middlebury, VT 05753

Kevin W. Perry  
Vermont Electric Cooperative, Inc.  
42 Wescom Road  
Johnson, VT 05656

Joshua R. Diamond, Esq.  
Diamond & Robinson, PC  
15 East State St., PO Box 1460  
Montpelier, VT 05601-1460

Edward B. French, Jr., Esq.  
Stackpole & French  
255 Maple St., PO Box 819  
Stowe, VT 05672

John P. Coyle, Esq.  
Duncan & Allen  
1575 Eye Street, NW, Suite 300  
Washington, DC 20005-1175