



January 22, 2008

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

Re: Docket No. 6860, VELCO Fourth Quarter 2007 Permit Compliance Report

Dear Mrs. Hudson:

Attached to this letter is VELCO's 4th quarter Permit Compliance Report for 2007.

Vermont Electric Power Company, Inc. (VELCO) continues to achieve full compliance with the environmental protection permits issued in connection with the Northwest Vermont Reliability Project (NRP). VELCO also continues to enhance its internal environmental compliance programs and is working closely with PSB-appointed compliance inspectors for the NRP project. As NEA has been actively involved with oversight of the NRP for over 3 months, VELCO respectfully requests information regarding NEA's expenditures and remaining budget amounts.

VELCO expects to submit the company's 1st quarter Permit Compliance Report in April of 2008. Should you have any questions or concerns about this report, please contact me directly at (802) 770-6474.

Sincerely,

S. Mark Sciarrotta
Senior Counsel

Cc: Attached service list

VELCO's NRP Permit Compliance Status Report, 4th Quarter 2007

1. During this quarter there were no instances of non-compliance identified with the NRP CPG or related permits.
2. Significant steps have been taken to finalize and implement the computer-based Environmental Commitment Tracking Program company wide.
3. Work is complete at the 62-acre Zelazny forested wetland restoration project in Pittsford, with the remaining 4,078 tree seedlings planted in November.
4. Remaining populations of Rare, Threatened, and Endangered (RTE) plant species along the completed 345 kV portion of the NRP project were inspected by botanists and documented in a monitoring report submitted to the ANR.
5. A comprehensive environmental compliance plan, including enhanced training programs, compliance inspections and random audits, has been developed for the 115 kV section of the NRP and associated substations.
6. Project-specific environmental compliance training has been developed and issued to all construction personnel associated with the 115 kV section of the NRP. Additionally, individual compliance binders and training programs have been developed for the Shelburne, Charlotte and North Ferrisburgh substations.
7. ANR and ACOE environmental personnel performed site inspections of the Shelburne Substation with no environmental issues or concerns identified.
8. VELCO developed and issued comprehensive Environmental Compliance Plans for the 115kV Line to capture all permit requirements and restrictions for the entire NRP 115 kV Line project on one drawing. These plans are meant to assist the field crews in maintaining compliance as they are a very simple and a clear way to illustrate the project's permit conditions.
9. The Company performed one environmental audit in the 4th quarter. The results reflect continued improvement with respect to maintaining environmental compliance.
10. PSB-appointed compliance inspectors have performed five (5) inspections of work areas including the 115 kV Line and the Shelburne substation. No environmental violations or non-compliance issues have been identified.
11. Spill Prevention Control and Countermeasure (SPCC) upgrades, including the installation and reinforcement of spill containment structures, have been completed and revised SPCC plans have been issued for company use.