

**BURAK & ANDERSON
&
MELLONI** PLC

Counsellors at Law

Michael L. Burak[¶]
Jon Anderson
Thomas R. Melloni[¶]
Michael B. Rosenberg^{*}
Shane W. McCormack^{¶‡}
W. Scott Fewell[□]
Anja Freiburg
David W. Rugh^{¶*}

Gateway Square • 30 Main Street
Post Office Box 787
Burlington, Vermont 05402-0787
Phone: 802 862-0500
Fax: 802 862-8176
www.vtlaw1.com

[¶]Also admitted in New York
^{¶*}Also admitted in Maryland
^{*}Also admitted in the District of Columbia
[‡]Also admitted in Massachusetts
[□]Also admitted in Connecticut & Pennsylvania

February 12, 2008

VIA HAND DELIVERY


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

Re: Docket No. 7373

Dear Sue:

Enclosed for filing with the Board in the above matter, please find an original and six copies of a Reply to Petitioners' Opposition to Northeast Utilities Service Company's Motion to Intervene.

Thank you for your assistance with this matter.

Sincerely,


Michael L. Burak

MLB/amc
Enclosures

cc: Attached Service List (via hand delivery, email and/or regular mail)

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7373

Joint Petition of Vermont Electric Power Company, Inc.,)
Vermont Transco, LLC, and Central Vermont Public)
Service Corporation for a certificate of public good,)
Pursuant to 30 V.S.A. Section 248, authorizing the)
Construction of the Southern Loop Transmission)
Upgrade Project)

**REPLY TO PETITIONERS' OPPOSITION TO NORTHEAST
UTILITIES SERVICE COMPANY'S MOTION TO INTERVENE**

NOW COMES Northeast Utilities Service Company ("NUSCO"), as agent for certain Northeast Utilities ("NU") Companies by and through its attorneys, Burak Anderson & Melloni, PLC, submits this Reply Memorandum in response to the Opposition filed on behalf of the Petitioners on Friday, February 10, 2008 (the "Opposition").

INTRODUCTION

The Petitioners have not addressed one of the fundamental reasons for the request by NUSCO for intervention in this docket. Three of the four transmission lines terminating at the existing Vermont Yankee Substation are directly and immediately interconnected to transmission systems serving loads in the service territory of Public Service Company of New Hampshire ("PSNH"), a Northeast Utilities subsidiary and affiliate of NUSCO.¹ The location and configuration of the Vermont Yankee Substation – as well as facilities associated with the substation – will be decided in this Docket. Those decisions will have a direct and substantial impact on the transmission systems represented by NUSCO beyond the system-wide reliability questions that may be considered by ISO-New England, Inc. ("ISO"). This proceeding is the

¹ Indeed, one of those transmission lines immediately passes into the service territory of Western Massachusetts Electric Company ("WMECO"), another subsidiary of Northeast Utilities and affiliate of NUSCO.

only forum for NUSCO to monitor and, if need be, offer its suggestions and input with regard to those decisions.

DISCUSSION

Four transmission lines terminate at the existing Vermont Yankee Substation, including three 345-kV lines and one 115-kV line. Three of the lines – two of the 345 -kV lines and the single 115-kV line – interconnect almost immediately with the transmission system of PSNH.² One of the 345-kV transmission lines also interconnects with the transmission system of the WMECO. The plans and designs for the proposed Vernon Substation, as they will be considered, modified and approved in this docket, have direct and immediate impacts on the transmission system of PSNH and, to some extent, on the transmission system of WMECO. These effects may be beyond the issues of regional system-wide reliability that are the responsibility of ISO. ISO would also not adequately represent the interests of PSNH with regard to the issues that may arise regarding siting or re-location of any PSNH facilities in the event that a decision in this docket may require such action. These issues are likely to be considered in this docket, and matters such as siting or re-location may have no impact on reliability.

Each change in the nature, timing, configuration and location of the facilities has a corresponding – and undeniable – impact on the interconnected facilities owned and operated by PSNH. For example, the design and configuration of the substation and consideration of alternatives may impact the PSNH transmission system. This, of course, will have an impact on the costs experienced by PSNH (and WMECO) to accommodate the plans submitted by the Petitioners in this Docket or any changes to those plans that may result from the investigation in this docket.

² The Attachment hereto contains two maps prepared by VELCO showing the existing and proposed transmission facilities terminating in the existing Vermont Yankee Substation and the proposed facilities.

Significantly, there can be no assurance that the location of and the configuration of the facilities that are finally approved in this Docket will be as the facilities are outlined in the testimony pre-filed in this docket. Since the pre-filed plans are only one possible physical location for such facilities, those pre-filed plans have not been fully analyzed by the PSB or, in fact, PSNH, as of this date, to determine what impacts may be posed to the PSNH transmission system. As VELCO has informed the ISO Planning Advisory Committee, there were three alternatives considered by the Petitioners in reaching their recommendations to this Board. (See Attachment.) It is likely that the PSB will wish to consider those alternatives in this docket. Indeed, it is difficult to imagine that the Board will not consider issues associated with the decommissioning or other disposition of the existing Vernon Substation. Each of those issues and alternatives has a direct and potentially significant impact on the cost and configuration of the interconnected transmission systems of PSNH and WMECO.

ARGUMENT

NUSCO respectfully submits that, but for the timeliness requirement, it satisfies the PSB's requirements for Intervention as of Right. The relevant provision, PSB Rule, Section 2.209(A), reads in relevant portion as follows:

Upon timely application, a person shall be permitted to intervene in any proceeding ... (3) when the applicant demonstrates a substantial interest which may be adversely affected by the outcome of the proceeding, where the proceeding affords the exclusive means by which the applicant can protect that interest and where the applicant's interest is not adequately represented by existing parties.

NUSCO regrets that its filing was made 6 days after the deadline established by the PSB and apologizes to the PSB for any inconvenience this may have caused. However, it is respectfully submitted that this minor and inadvertent delay results in no prejudice to the parties. NUSCO has agreed to take the schedule as it has been established by the Board and is committed to working cooperatively with the parties should it become appropriate to do so. Accordingly,

NUSCO respectfully requests that the PSB exercise its authority under PSB Rule, Section 2.107 to waive the timeliness requirement for this short delay.

The facts asserted by NUSCO's in support of its Petition to Intervene satisfy the standards of Rule 2.209(A) notwithstanding the admission of ISO as a party. ISO has intervened in this proceeding for issues pertaining to "the reliability of the electric system in Vermont and elsewhere in New England." (Motion to Intervene, p.1, filed by ISO dated January 25, 2008.) That is the purpose for which ISO and its members evaluate proposals such as the Southern Loop proposal. Only within that context are NUSCO's interests in reliability, even arguably, represented in this proceeding.

However, the timing and configuration of the facilities proposed, considered and approved in this Docket will impact the location of and costs to be borne by the transmission systems PSNH and WMECO in ways unrelated to reliability. It is not unusual for alternatives to proposals for the configuration and location of facilities such as those proposed in this docket to be considered and, indeed, adopted by the PSB in proceedings such as this. The proposals may not have an adverse impact on reliability but they may have a "substantial" and "adverse" impact on other NUSCO's interests arising from the physical interconnection of facilities. There is no other forum in which NUSCO can monitor and, if need be, protect those interests other than ISO's review of issues pertaining to system-wide reliability. Quite aside from the technical arguments, it simply makes good sense to have NUSCO at this table while these issues are being considered and finalized. Any change or alteration to the configuration to the proposal that might be demanded by some other authority – assuming there is such an authority – would only have to come back to this Board for reconsideration.

The Petitioners also recommend that the PSB ignore the potential impacts of their proposals simply because they occur at the border of the State of Vermont. Such a myopic

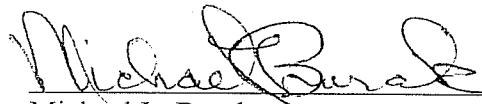
approach is not supported by a fair reading of 30 VSA §248(b)(1) which looks to "the orderly development of the region." In this case the statute would certainly recognize the authority of the PSB to consider the physical impacts of the reconstruction and reconfiguration of a facility that is of critical importance to neighboring transmission systems which are interconnected within a mile of the proposed construction. Indeed, NUSCO's interests pertain to three of the four transmission lines emanating from the current facilities under consideration in this docket.

CONCLUSION

Based on the foregoing, NUSCO respectfully requests that the PSB waive, pursuant to PSB Rule, Section 2.107, NUSCO's slight delay in filing for intervention and grant its Petition to Intervene as of right under PSB Rule, Section 2.209(A). In the alternative, NUSCO requests that the PSB exercise its discretion under PSB Rule, Section 2.209(B) and grant NUSCO permissive intervention to allow NUSCO to monitor and protect the substantial interests outlined herein which may be affected by the outcome of this proceeding. The foregoing discussion satisfies each of the elements to be considered by the PSB in granting such permissive intervention.

Respectfully submitted,

Dated: February 12, 2008
Burlington, Vermont



Michael L. Burak
Burak Anderson & Melloni, PLC
30 Main Street, Ste. 210
P.O. Box 787
Burlington, Vermont 05402-0787
(802) 862-0500
mburak@vtlaw1.com

Attorneys for Northeast Utilities Service Company

BURAK & ANDERSON
MELLONI PLC
COUNSELLORS AT LAW
GATEWAY SQUARE
30 MAIN STREET
POST OFFICE BOX 787
BURLINGTON, VERMONT
05402-0787
802 862-0500

S:\Client Matters\80317\Legal\Reply to Petitioners Opposition.doc



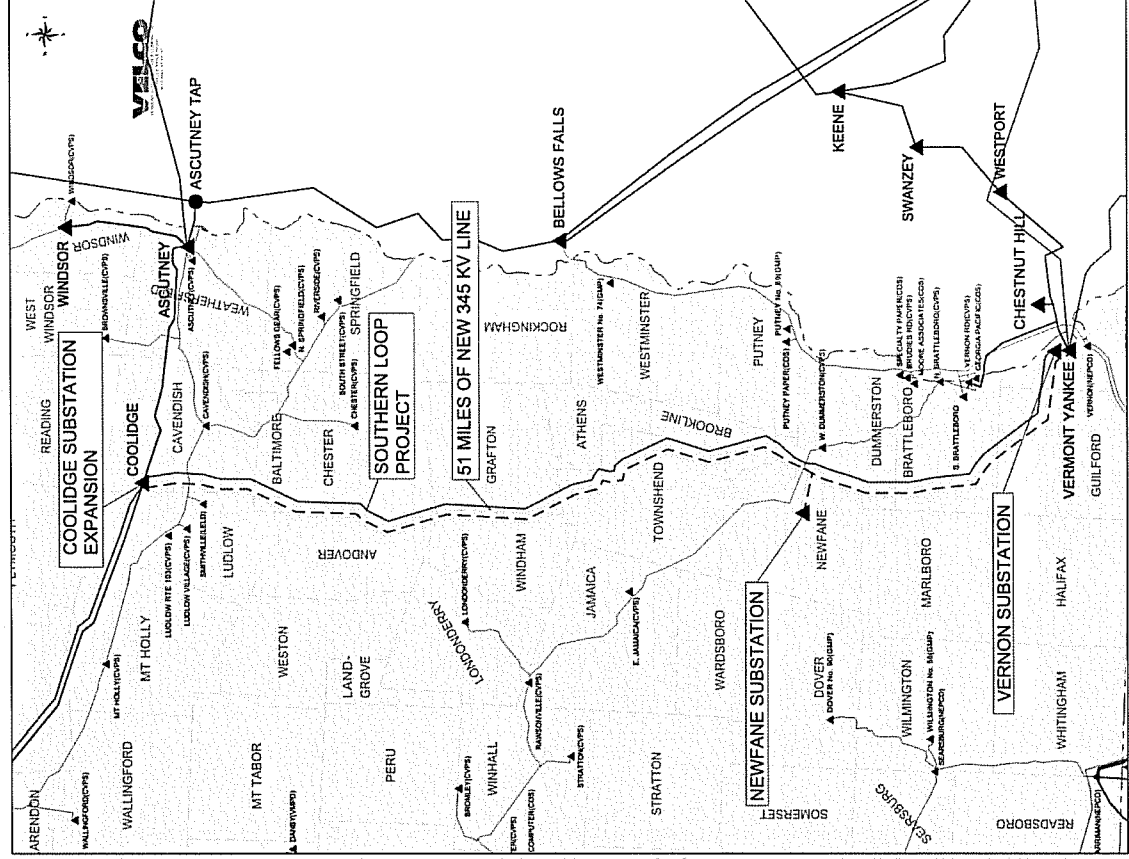
Alternatives Considered

- **Alternatives to the regional concerns**
 - Loss of the 340 line between Vermont Yankee and Coolidge
 - Both alternatives address the regional concern for loss of the 340 line
 - Parallel 345 kV line in Vermont Yankee to Coolidge right of way (ROW) (*Coolidge Connector*)
 - New 345 kV line from Deerfield through Webster to Coolidge (*Deerfield Alternative*)
 - Vermont Yankee station concerns (loss of 345 / 115 kV transformer, breaker failure/double-circuit tower (DCT) impact, non-bulk power system (BPS) conformance)
 - Three substation alternatives examined
 - *New substation outside of Vermont Yankee security perimeter (i.e. Vernon station)*
 - *New substation inside of Vermont Yankee security perimeter (i.e. Vernon station)*
 - *Additions to existing substation inside Vermont Yankee security perimeter*
- **Alternatives to the local concerns**
 - Loss of the K186 115 line (Vermont Yankee to Chestnut Hill to Vernon Road) and other 46 kV network elements in southern Vermont
 - Alternatives include reinforcing the local 46 kV network through connection to the 345 kV system or rebuilding the 46 kV system as double circuit 115 / 46 kV from Bennington to Newfane



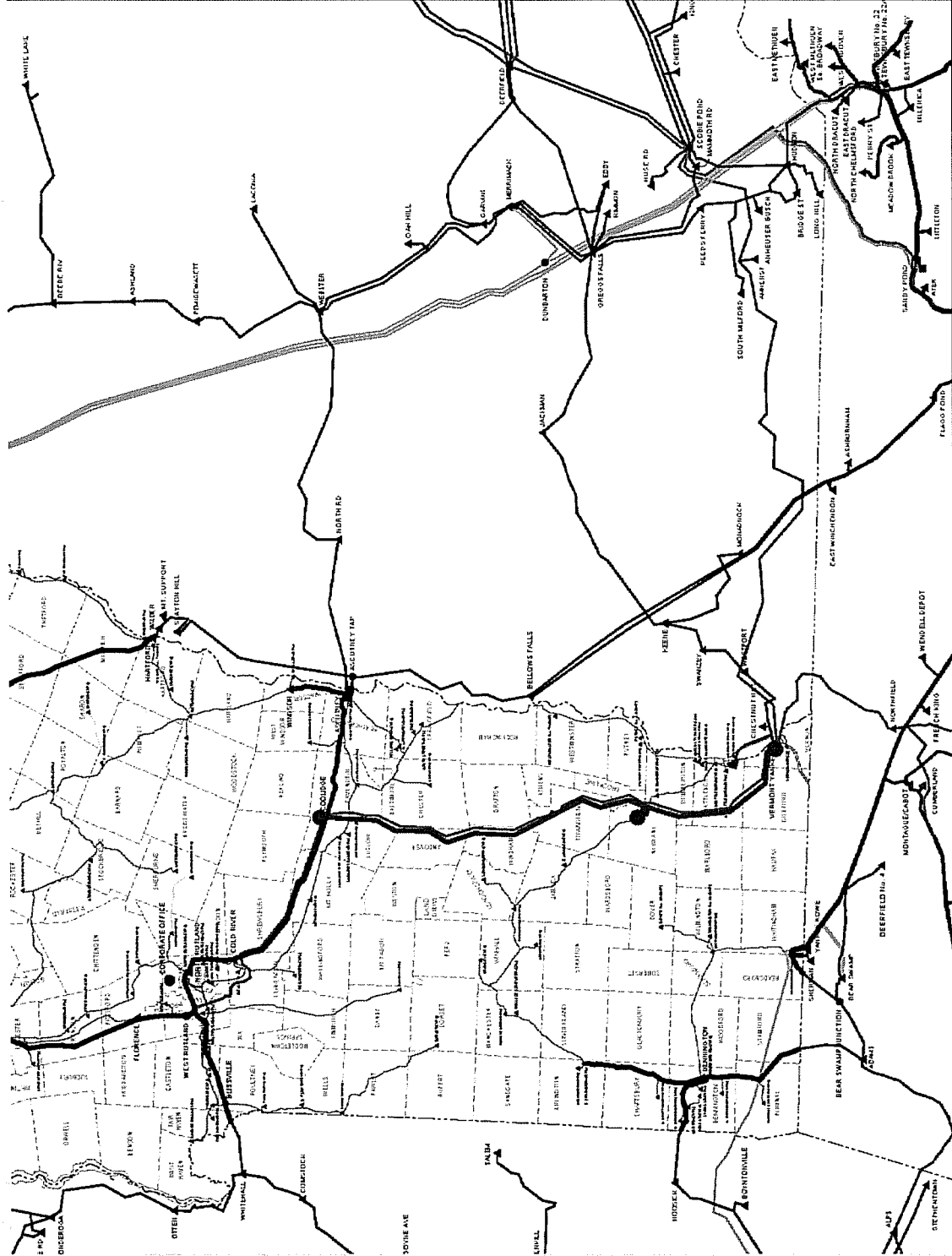
Southern Loop / Coolidge Connector Project

- **New 345 kV line (51 miles)**
 - Built adjacent to existing 340 line in existing ROW VELCO obtained four decades ago
 - H-frame construction
 - Line terminated in **expanded Coolidge** and **new VY substations**
 - Stations designed to conform to new NE standards
 - Breaker and a half, BPS designed
 - VY station has added transformer to address long term outage of existing VY autotransformer (T4)
 - **New substation (Newfane)** added on new line to address local reliability concern
 - Substation is three breaker 345 kV ring bus
 - Substation has transformations from 345 kV to 115 kV to 46 kV
 - Ties into local 46 kV network
 - 115 kV switchyard designed for later expansion of 115 kV system
 - Transformers are standard sizes for which spares are available



Coolidge Connector Project map

(new facilities in blue / purple)



PSB Docket No. 7373 - SERVICE LIST

Parties:

James Porter, Esq.
Laura Scanlan Beliveau, Esq.
Vermont Department of Public Service
112 State Street - Drawer 20
Montpelier VT 05620-2601

Kimberly K. Hayden, Esq.
Downs Rachlin Martin PLLC
199 Main Street - P.O. Box 190
Burlington, VT 05402-0190

(For Vermont Transco, LLC, and Vermont
Electric Power Company, Inc.)

Megan R. Ludwig, Esq.
Downs Rachlin Martin, PLLC
90 Prospect Street - P.O. Box 99
St. Johnsbury, VT 05819-0099

(For Vermont Transco, LLC, and Vermont
Electric Power Company, Inc.)

Morris L. Silver, Esq.
The Kellogg Farm
Stage Road - P.O. Box 606
Benson, VT 05731-0606

(For Central Vermont Public Service Corp.)

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

George T. McNaughton, Esq.
Law offices of George W. Lamb, P.C.
6 Main Street - PO Box 860
Springfield, VT 05156

(For Carl Ferenbach, III, and Judy W.
Ferenbach)

Sandra Levine, Esq.
Conservation Law Foundation
15 East State Street, Suite 4
Montpelier, VT 05602-3010

James P. Matteau, Executive Director
Windham Regional Commission
139 Main Street, Suite 505
Brattleboro, VT 05301

Bernard D. Lambek, Esq.
Zalinger Cameron & Lambek, P.C.
140 Main Street, P.O. Box 1310
Montpelier, VT 05601-1310

(For ISO New England Inc.)

David John Mullett, General Counsel
Vermont Public Power Supply Authority
P.O. Box 298
5195 Waterbury-Stowe Road
Waterbury Center, VT 05677-0298

Tom Bodett, Selectboard Chair
Andrew McFarland, Selectman
Town of Dummerston
1523 Middle Road
East Dummerston, VT 05346

Dennis Shaffer
Vice President for Stewardship
Vermont Land Trust
8 Bailey Avenue
Montpelier, VT 05602

Robert M. Fisher, Esq.
Fisher & Fisher Law Offices
114 Main Street, P.O. Box 621
Brattleboro, VT 05302-0621

Cary H. Gaunt
Box 2113
Brattleboro, VT 05303

Richard F. Svec, Town Manager
Town of Cavendish
P.O. Box 126, 37 High Street
Cavendish, VT 05142-0126

Henry K. Martin, Selectboard Member
Town of Townshend
P.O. Box 223
Townshend, VT 05353-0223

Shannon Meckle
Office of the Selectboard
Town of Newfane
P.O. Box 296
Newfane, VT 05345

Anthony M. Macleod, Esq.
Whitman Breed Abbott & Morgan
500 West Putnam Avenue
Greenwich, CT 06830-2250

(For ISO New England Inc.)