

VILLAGE OF LYNDONVILLE
ELECTRIC DEPARTMENT
Lyndonville, Vermont 05851

December 2, 2008

Neal E. Robinson
CFO & V-TAM Administrator
Vermont Electric Power Company, Inc.
366 Pinnacle Ridge Road
Rutland, VT 05701

Re: Cost Allocation Agreement - Lyndonville 115 kV Substation Project


Dear Neal:

Pursuant to Article IV of the VTA and Section 3 of the V-TAM, I am very pleased to enclose a fully-executed Specific Facilities Cost Allocation Agreement between Village of Lyndonville Electric Department and Central Vermont Public Service Corporation for the Lyndonville 115 kV Substation Project.

Pursuant to Section 6 of the V-TAM, LED understands that VT Transco will now "...issue a formal notice to LED and CVPS that it has created the Project and has begun to capitalize its cost."

Thank you for all of your help in reaching this milestone. We look forward to working closely with VT Transco/VELCO to bring this project on line as quickly and cost effectively as possible.

Very truly yours,

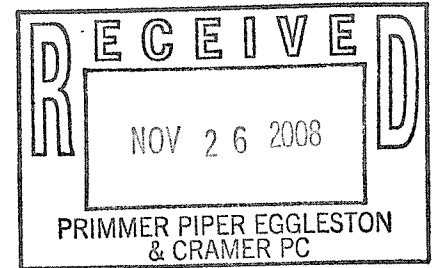

Kenneth C. Mason

Central Vermont Public Service Corp.
77 Grove Street
Rutland, VT 05477

Village of Lyndonville Electric Dept.
P.O. Box 167
Lyndonville, VT 05851

December 1, 2008

Neal E. Robinson
CFO & V-TAM Administrator
Vermont Electric Power Company, Inc.
366 Pinnacle Ridge Road
Rutland, VT 05701



Re: Cost Allocation Agreement - Lyndonville 115 kV Substation Project

Dear Neal:


This letter constitutes notice of an "Allocation Agreement", as required by the Transmission Administration Manual ("V-TAM") Section 3, Original Sheet 3-5, between the Village of Lyndonville Electric Department ("LED") and Central Vermont Public Service Corporation ("CVPS"). As you know, LED and CVPS have been negotiating a cost allocation agreement for the above-mentioned Project and having reached agreement and, intending by their signatures below to be bound hereby, state as follows:

LED and CVPS are the benefitting utilities who have participated in the cost allocation agreement negotiations and have agreed to share the cost of the Specific Facilities associated with the above-mentioned Project in the following percentages:

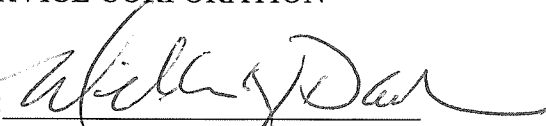
LED - 77.5%
CVPS - 22.5%

The undersigned are the authorized representatives of LED and CVPS, they understand that this cost allocation agreement is binding upon them even if the final cost of the Specific Facilities changes and each agrees to pay the Specific Facilities costs as allocated in accordance with this agreement.

VILLAGE OF LYNDONVILLE
ELECTRIC DEPARTMENT

By: 
Kenneth C. Mason
General Manager

CENTRAL VERMONT PUBLIC
SERVICE CORPORATION

By: 
William J. Deehan
Vice President, Power
Planning and Regulatory Affairs