

**STATE OF VERMONT
PUBLIC SERVICE BOARD**

Joint Petition of Vermont Electric Power Company, Inc.,)
and Vermont Transco LLC (collectively known as)
VELCO) and the Village of Lyndonville Electric)
Department (LED) for a Certificate of Public Good)
pursuant to 30 V.S.A. § 248 authorizing the construction)
of a Substation in the Town of Lyndon, Vermont)

Docket No. ____

**PETITION FOR CERTIFICATE OF PUBLIC GOOD
PURSUANT TO 30 V.S.A. §248**

NOW COME Vermont Electric Power Company, Inc., Vermont Transco LLC (“VELCO”) and the Village of Lyndonville Electric Department (“LED”) (collectively referred to as “Petitioners”) and file this Petition pursuant to 30 V.S.A. § 248 and Public Service Board Rule 5.400 requesting the Board to issue a Certificate of Public Good for the so-called Lyndonville Substation Project.

By this Petition, the Petitioners represents as follows:

1. VELCO is a company as defined by 30 V.S.A. § 201, and as such is subject to the Vermont Public Service Board’s jurisdiction pursuant to 30 V.S.A. § 203.
2. VELCO’s office is located at 366 Pinnacle Ridge Road, Rutland, Vermont.
3. VELCO owns, operates and plans for Vermont’s high voltage electric transmission system.
4. VELCO operates Vermont’s high voltage transmission system to assure the integrity of the portion of the regional bulk power system for which it is responsible, and to assure adequate and reliable transmission of electricity to the twenty-one electric distribution

utilities that it serves in Vermont.

5. LED is a company as defined by 30 V.S.A. § 201, and as such is subject to the Vermont Public Service Board's jurisdiction pursuant to 30 V.S.A. § 203. LED is also a duly organized municipal electric utility under Chapter 79 of Title 30, Vermont Statutes Annotated.
6. LED's offices are located at 119 Park Street, Lyndonville, Vermont.
7. LED owns and operates an electric distribution system serving twelve (12) towns in northeastern Vermont.

Notice Requirements

8. Petitioners satisfied Public Service Board Rule 5.402's filing and notice requirements by obtaining waiver of the 45-day notice requirement from Town of Lyndon Planning Commission and the regional planning commission, Northeast Vermont Development Association, and by providing notice of the Project to each adjoining landowner contemporaneously with the filing of this Petition. Petitioners have satisfied the requirements of Public Service Board Rule 5.402(B)(3) by identifying the adjoining landowners using the certified grand list as it existed no more than sixty (60) days prior to the date notice was provided to the landowners. The grand list was certified on August 14, 2009.

Project Need

9. The Project is needed because the existing electric transmission facilities in Caledonia County of northeastern Vermont are unable to withstand failures of key components, are unable to have preventive maintenance conducted on key components at present demand

levels, and have a limited availability to support increased electrical demand. The Project would provide a redundant source and path of power to the above area ensuring adequate supply to meet present and future demand during all conditions, including those of equipment maintenance and failure.

Project Components

10. The Project will be built on a VELCO-owned 8.61 acre parcel of land, north of and adjacent to LED's No. 2 Substation on Hill Street, in the Town of Lyndon, Vermont. The Project will consist of the construction of a VELCO 115/34.5 kV substation including a four circuit breaker 115 kV ring bus and five circuit breaker 34.5 kV ring bus with a 56 MVA 115/34.5 kV transformer and two 115 kV 12.5 MVAR capacitor banks with associated circuit breakers. The substation will have two connections to VELCO's 115 kV line and four connections to LED's 34.5 kV lines in the immediate vicinity. The Project will also involve modifications to the existing adjacent 115 kV transmission line and 34.5 kV subtransmission line in order to connect these lines to the new substation.¹

Project Cost

11. As of the date of the filing of this Petition, the budget estimate for the Project is \$15,513,046.
12. LED and CVPS have signed a cost allocation agreement to split the charges between the two parties.

¹ On or about July 14, 2009, LED filed a Petition for a Certificate of Public Good for its reconductoring project. In an August 6, 2009 Memorandum, the Board deferred action on that petition pending submission of the instant petition.

Project Schedule

13. The Petitioners hope to receive a CPG by March 1, 2010. Immediately thereafter, the Petitioners will commence construction and expect to complete the Project prior to April 1, 2011.

Alternatives Evaluated

14. Petitioners evaluated potential transmission and non-transmission alternative solutions to the Project. The need for a second transformer and voltage support (i.e., capacitor banks) in the St. Johnsbury area was identified in VELCO's 2006 Long Range Transmission Plan, and the Lyndonville Substation Project was identified in VELCO's 2009 Long Range Transmission Plan. The potential to defer the Project using non-transmission alternatives was studied and discussed with the Vermont System Planning Committee (VSPC). VELCO, LED, and CVPS determined that non-transmission alternatives are not viable or suitable replacements for the lack of redundancy in the transmission system in Caledonia County. Compared to other transmission alternatives, this Project does not require any additional new transmission lines. In addition, proposing the substation immediately adjacent to existing transmission lines, instead of at a more distant location, will reduce environmental and aesthetic impacts.

Prefiled Evidence and Compliance with the Criteria of 30 V.S.A. § 248(b)

15. The Project will comply with each of the criteria of 30 V.S.A. § 248(b). In support of this Petition, the Petitioners submit prefiled evidence (testimony and exhibits) sponsored by the following witnesses that, together, explain how the Project complies with the criteria of 30 V.S.A. § 248(b), including the criteria specified in 10 V.S.A. § 6086(a)(1)-

(8) and (9)(K):

Witnesses

Subject

Scott S. Mallory (VELCO)

Provides a Project summary, explains the Project need, summarizes the Project benefits, outlines the Project's costs, and discusses the Project schedule and timing of needed CPG approvals. In addition Mr. Mallory addresses the substantive criteria of 30 V.S.A. § 248, including orderly development, system stability and reliability, economic benefit, aesthetics, historic sites, air and water purity, the natural environment, and public health and safety.

Kim Jones (CVPS)

Explains the need for the project from Central Vermont Public Service Corporation's perspective.

Kenneth C. Mason (LED)

Explains the need for the project from Lyndonville Electric Department's perspective and describes the related sub-transmission components.

Request for Relief

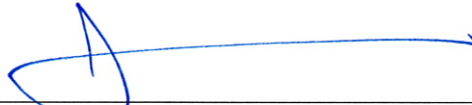
WHEREFORE, the Petitioners respectfully request this Board to:

- A. Make findings as required by 30 V.S.A. § 248 finding the Project will promote the general good of the State of Vermont, and authorize Petitioners to undertake the actions described herein and in the attached testimony and exhibits;
- B. Issue an Order and Certificate of Public Good to Petitioners;
- C. Take such other action as may be required for the expeditious review of this Petition.

Dated at Rutland, Vermont this 1st day of September, 2009

VERMONT ELECTRIC POWER COMPANY, INC.
VERMONT TRANSCO LLC

By: _____

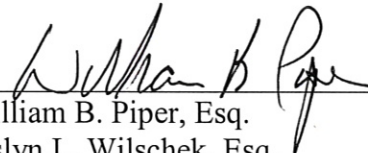


S. Mark Sciarrotta, Senior Counsel

Dated at St. Johnsbury, Vermont this 1st day of September, 2009

VILLAGE OF LYNDONVILLE
ELECTRIC DEPARTMENT

By: _____



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