

## Letter from VELCO CEO, John Donleavy

Dear Vermonter:

Electricity increasingly powers our lives. We depend on it. The backbone of the complicated machine that provides us reliable electric service is the transmission system. Vermont Electric Power Company (VELCO) constructs, owns and operates the state's transmission system and must ensure the integrity of this critical infrastructure. Our duty to ensure reliability mandates us to identify potential transmission system problems early enough to fully consider solutions other than transmission. Just as important is the requirement that VELCO reach out, share our analysis and seek feedback from Vermont communities and interests.

This document is VELCO's 2009 Vermont Long Range Transmission Plan—Public Review Draft. It looks out 20 years to identify potential reliability problems and their transmission solutions, and serves as the first step for additional work to analyze Non-Transmission Alternatives (NTAs) such as local generation and energy efficiency. The draft plan proposes 25 potential transmission solutions: six line reinforcements with combined length of about 50 miles, and 19 substation projects. Total cost is an estimated \$500 million dollars to \$1 billion dollars. The 20-year planning horizon is new and affords ample time to examine NTAs that may make it possible to avoid or delay the need for some transmission reinforcement.

VELCO developed the draft plan with the help and input of many stakeholders. Now we invite you to add your voice. This draft plan is intended to generate further discussion and is part of a new collaborative planning process approved by Vermont's Public Service Board in 2007. The PSB created what's called the Vermont System Planning Committee (VSPC). The VSPC, which has provided input to this plan, consists of representatives from a broad cross section of interests including utilities, residential consumers, commercial and industrial consumers, and environmental protection. We will further refine the draft with your input through a number of public engagement opportunities before the plan is filed with the PSB on July 1, 2009.

VELCO's responsibility is to move power, and maintain the integrity of the transmission grid. We embrace all options that ensure system reliability. We also believe that public engagement works. The more we can share information and receive feedback, the stronger we can make the final plan. To us that is an essential goal. Vermont has a reputation as an energy policy laboratory. This new transmission planning process reflects our state's traditions of open access to government and environmental commitment. I hope you find this draft plan consistent with these traditions and useful in moving Vermont forward. Thank you in advance for your help to make this draft plan better.

Sincerely,



John J. Donleavy

President and Chief Executive Officer, VELCO