

VELCO Operating Committee Meeting Minutes

Thursday, April 15, 2010

11:30 a.m.

Location: VELCO

Committee Members present: Ken Nolan (BED), Jeff Wright (VEC), Ken Couture (GMP), Ken Mason (LED), Greg White (CVPS), Neal Robinson, Kerrick Johnson (VELCO) and Frank Ettori (VELCO).

Others present: Thad Omand, Michelle Nelson and Chris Dutton

I. Generation studies outcome of previous board meeting

Kerrick Johnson discussed the outcome of the VELCO board of directors meeting and the desire to have the Operating Committee become the forum for discussion on the interconnection with generation facilities. The group was amenable with being the forum to discuss the generation dispatch.

II. B22 loss issues

Greg White discussed the losses across the Johnson B22 and the desire for VELCO to conduct a loss study for the 34.5 kV Northern loop. The group agreed that VELCO should contract to have a loss study completed to identify potential solutions for reducing the losses across the B22. The cost estimate for this study is approximately \$25-50K. The group agreed to allow VELCO to create a billable work order and charge all VELCO participants for this work. The members of the B22 loss group will work together to develop a scope of work to allow VELCO to have a study completed.

III. Revised Substation Participation Agreement

Neal Robinson discussed the revised Substation Participation Agreement. Ken Mason discussed the affects of the new SPA on the Lyndonville substation project. The group unanimously approved the revised Substation Participation Agreement.

IV. Irasburg SPA

Because a SPA with Barton and Orleans was never established and billed, the result is that the VTA costs weren't allocated properly. Neal suggested that VELCO refund VEC and CVPS for the overcharges they incurred during the 2004 to 2008 time period. Jeff Wright and Greg White agreed to forgo their refund with the expectation that this group would develop a procedure to ensure that we handle this type of situation uniformly in the future.

V. Agree on basis for load ratio share

Neal discussed the proposed changes for the use of the PDP without IGAP for load ratio share determination. The number of years that are averaged was of some concern. Neal agreed to provide the committee members with data representing PDP without IGAP adjustment. The group agreed to take the issue back and have a conference call if necessary to vote on this issue.

VI. Telecomm working group

Jeff Wright mentioned a desire to have a radio/fiber committee that could discuss the issues with the new expansion as well as ongoing telecomm issues. The group agreed that it made sense

VII. Other Business

The next meeting is scheduled for May 20th at VEC.

Respectfully submitted,

Frank Etori