

**VELCO Operating Committee (OC)
FINAL MINUTES**

May 15, 2014, 11 a.m. – 3 p.m.
GMP Montpelier Office

Participating members: Ellen Burt (Town of Stowe Electric Department), Ken Couture (Green Mountain Power), Frank Etori (VELCO), Ken Mason (Vermont Public Power Supply Authority), Ken Nolan (Burlington Electric), Kevin Perry by phone (Vermont Electric Cooperative), Bill Powell by phone (Washington Electric Cooperative), Chris Root (VELCO), Matt Rutherford (Town of Stowe Electric Department), Kris Smith (Vermont Electric Cooperative)

Other participants: Keith Bishop (VELCO), Brian Connaughton (VELCO), Deena Frankel by phone (VELCO), Peter Lind (VELCO), Mike Loucy (VELCO), Dan Nelson (VELCO)

Next update

June 19, 2014
11 a.m. – 3 p.m.

Conference Call

#: 866-720-4556

Code: 6027065

Meeting opening

- Mr. Root opened the Operating Committee (OC) meeting at approximately 11:10 am.

Safety topic

- Mr. Root discussed that May is electrical safety month and covered several statistics associated with electrical accidents covering both residential and commercial work.
- Mr. Mason discussed that OSHA has established new fire retardant clothing specifications and requested that when VELCO makes any necessary adjustments to their requirements that they share this with the Vermont Distribution Utilities (DU). This will ensure the DU personnel are compliant when they need to enter a VELCO substation.

Minutes approval

- Mr. Mason moved and Mr. Nolan seconded approval of the minutes of March 20, 2014, which were approved without dissent.

Substation Security

- Mr. Root discussed several examples of acts of vandalism and solutions some of the larger utilities are deploying to minimize the risk exposure.
- Mr. Couture discussed that GMP is deploying cameras and shaker wire over a multi-year improvement program.
- Mr. Smith asked if the Public Service Board of Vermont has had any comment on larger fences, lighting, etc. as these types of improvements fall under their purview. Mr. Root responded that VELCO has not had any specific conversations with the PSB and the examples that he discussed are proposals by non-Vermont utilities.
- Mr. Lind presented the materials provided to the OC.
- Mr. Bishop discussed the system that VELCO is deploying and that the Security Guards will get notified if the cameras or shaker fence detect a potential intruder. He explained that the System Operators can also view the cameras which are mobile and will scan the yard based upon detection events.

- Mr. Root asked what the definition is for two factor identification. Mr. Bishop responded that two-factor identification requires two unique forms of authentication at high impact locations. Mr. Bishop explained that VELCO only has two high impact locations which are the control center and backup control center.
- Mr. Ettori asked if VELCO has security systems at Vermont Yankee (VY). Mr. Bishop responded that fence detection and cameras at VY do provide visibility into the VY substation yard. Mr. Ettori suggested VELCO should determine what VY's long term security plans are to understand our longer security needs at the site.
- Mr. Couture discussed that Mr. St. Peter with the Department of Public Service collects substation vandalism/theft data from the DU's and that sharing the information has been helpful within GMP. He offered to reach out to Mr. St. Peter and possibly provide a summary at the next OC meeting.
- Mr. Smith discussed that the copper theft situation creates both a financial impact and creates a safety concern for utility personnel as the grounding system is often compromised.

VELCO Locks and Key Control

- Mr. Root discussed that VELCO is updating its gate lock control program at its substations which will include deploying improved weather resistant locks. As many of the DU's share substation properties or may provide support, VELCO will send a request to each DU to provide a list of personnel that will require keyed access. This should include switching and other key operation and maintenance personnel.
- Mr. Couture explained that GMP requires non-essential operational personnel to request keys on a per event basis and that VELCO may wish to consider this approach. Mr. Root responded that this is a reasonable approach and asked the other OC members in attendance if anyone had any concerns. No concerns were discussed.

OSHA 269 Update

- Mr. Root presented the materials provided to the OC.
- Mr. Smith asked if the new Underground Electrical Installations requirements will impact VELCO's Lake Champlain crossing. Mr. Root responded that VELCO will develop procedures to work within any confined space within its system such as manholes, underground vaults, etc.
- Mr. Smith asked if the DU's are subject to completing the system wide voltage calculations. Mr. Root responded that yes they will be subject to this requirement if the DU's are working on 10 kA or completing switching for VELCO. Mr. Root stated VELCO will take this back and consider the potential impacts to see if a more efficient strategy is viable.
- Mr. Nolan discussed that BED has completed some of the studies using both internal and external resources.

Telecommunications

Fiber Update

- Mr. Nelson presented the materials provided to the OC.
- Mr. Couture asked if VELCO has a schedule of new site getting connected to the fiber. Mr. Nelson responded that he will look into the forecast and provide it to the DU's for their needs.
- Mr. Perry asked who the DU's should follow up with at VELCO if they have other questions associated with the fiber billing. Mr. Nelson responded that they should contact him.

- Mr. Mason asked if Northfield and Enosburg are moving towards connection. Mr. Nelson responded that both are in development and have different challenges VELCO is working through but anticipate a late summer completion.
- Mr. Rutherford asked if Stowe Electric's substations are scheduled. Mr. Nelson mentioned that VELCO is on-site today at Stowe and VELCO is anticipating a summer time connection.

Statewide Radio Project (SRP) update

- Mr. Nelson presented the SRP materials provided to the OC.
- Mr. Powell asked if the Wells litigation settlement is public. Mr. Nelson responded yes.
- Mr. Connaughton asked how many fill-in sites VELCO anticipates. Mr. Nelson responded that the first deployment is in development and if the solution works as designed VELCO currently has plans for 4 other areas.

Power Accounting Update

- Mr. Etori presented the materials provided to the OC.
- Mr. Etori asked Mr. Powell if he had an updated schedule when the Coventry solar installation is anticipated to come on line. Mr. Powell responded that he'll check and obtain the best data on the forecast but tentatively he has heard June. Mr. Etori explained VELCO may need to resettle the metering sooner than planned as VELCO was working with a November timeline.

ISO-NE Update

- Mr. Etori presented the ISO-NE materials presented to the OC.
- Mr. Etori discussed that ISO-NE has started planning efforts to support oil fired backup generation for the 2014-15 winter season. During 2013-14 season, ISO-NE paid approximately \$75M in carrying costs for fuel oil and additional DR.

Capacity Markets

- Mr. Etori presented the Capacity Markets update to the OC.
- Mr. Couture asked what is driving the anticipated cost increase. Mr. Etori responded that a few situations are driving the cost curve upward. New England is short on capacity and the new demand curve pricing will require higher capacity payments.

Major Projects Review

- Mr. Connaughton presented the materials provided to the OC.
- Mr. Connaughton discussed that a recent bidding exercise showed that steel poles are becoming more economical than wood poles and therefore VELCO has undertaken an engineering effort to further study using more steel poles.
- Mr. Mason asked if the steel poles will be set on concrete foundations. Mr. Connaughton responded that no as the steel poles are designed to be direct buried.
- Mr. Root discussed that the business case becomes unfavorable when you introduce concrete foundations as part of the installation.
- Mr. Mason asked that when VELCO is working within DU territories that VELCO include the DU in their communications plan. Mr. Connaughton responded that he will take this request back to the project team

make sure the DU's are notified in advance when VELCO plans to conduct structure replacement activities in their territory.

Independent Transmission

- Mr. Connaughton presented the materials provided to the OC.
- Mr. Root discussed the line requires both a DC and AC component and that ISO-NE is looking socializing the costs associated with constructing the DC.
- Mr. Smith asked if the heating gas deficiencies are leading to the advocacy position to put construction costs of a new transcontinental gas supply line into the rate base. Mr. Root responded that this is a major part of the reason as oil fired generation is significantly more costly than gas fired generation and is having a detrimental financial impact on various industries in New England.
- Mr. Couture asked if VELCO's 345 line has the capacity to carry 1000 MW. Mr. Root responded yes.
- Mr. Smith asked if the costs get lower to reinforce the bulk transmission system in the area of the 345 line. Mr. Connaughton responded yes.

Other Business

- Mr. Root asked the OC about the next meeting schedule and if we should plan to meet in June and not July. Mr. Couture responded that it may make sense to consider different meeting model going forward.
- Mr. Root to propose a new OC meeting model and send to OC members for consideration.

Proposed Agenda Topics

- Mr. Couture recommended that when VELCO sends out the meeting reminder to include a request for any late breaking potential agenda items.

Adjournment

- Mr. Perry moved and Mr. Couture seconded adjournment, which was agreed to without objection at approximately 2:15 pm.