

VELCO Operating Committee Meeting Minutes (FINAL)

Thursday, July 21, 2011

11:00 a.m.

Location: VELCO

Committee Members present: Ken Mason (VPPSA-LED), Ken Couture (GMP), Chris Dutton (VELCO), Ken Nolan (BED), Greg White (CVPS), Jeff Wright (VEC-phone), Dave Mullet (VPPSA), Tom Dunn (VELCO), Allen Stamp (VELCO), Thad Omand (VELCO), Ellen Burt (Stowe)

I. Minutes of June 16, 2010 meeting

- The minutes of the June 16 meeting were approved.

II. VT/NH Study Update - Tom Dunn

- Mr. Dunn provided an update of the VT/NH study. He noted that the Reliability Committee was meeting on this day to discuss the recommended solutions to the problems identified in the Needs Assessment phase completed earlier in 2011. The recommended solutions in Vermont include: reconductoring much of the 115 kV system from West Rutland to Tafts Corner, a new 345 kV line from Coolidge to West Rutland, a new 115 kV line from Coolidge to Ascutney (built at 345 kV), reconductoring the Ascutney to Ascutney 115 kV tap (built at 345 kV), and installing capacitor banks at the Jay substation.
- Mr. Dunn discussed the northwest Vermont solution (i.e., reconductoring much of the 115 kV system from West Rutland to Tafts Corner) and noted the viability of non-transmission alternatives (NTAs) to the proposed transmission solution. In this case, the NTA (repowering of the Gorge generator) appears to be less than 25% of the cost of the transmission solution (\$45 M vs. \$220 M). However, when considering the situation from a Vermont only perspective, the transmission solution is less costly (\$2 M/yr for transmission vs. \$6 M/yr for generation net of market revenues). Mr. Dunn also described a second NTA, firm deliveries of NYPA Preference Power over the PV20, which would eliminate the need for the transmission upgrade. This option will require the agreement of numerous parties (e.g., NE ISO, NY ISO, NYPA, and all the public power recipients of the NYPA power in New England). It is uncertain whether such an agreement could be achieved though VELCO will continue discussions with the ISOs and NYPA. Nonetheless, NTAs appear to be viable, less costly overall and that VELCO will continue to work on developing these alternatives with the appropriate parties.
- For the other solutions Mr. Dunn reviewed the presentation being used at the Reliability Committee. Mr. Couture asked about the criteria that were used to assess the options. Mr. Dunn noted the comparison tables for the central Vermont options that evaluated the options on factors such as cost, longevity, constructability, use of right-of-way, losses and electrical performance.

- Discussion also centered around the how this effort ties back to the VSPC , Mr. Dunn committed to providing some insight to this at the next meeting of the Operating Committee.

III. Telecommunications Update – Allen Stamp

- Mr. Stamp presented an overview of both the Fiber and SmartGrid projects.
- Mr. Couture requested a schedule of the fiber projects that are serving the GMP. Discussion revolved around ROW issues experienced at GMP and that the weekly meetings with Mike Loucy were working through those issues. Mr. White asked for schedule for the when the costs of the fiber electronics will be seen by the distribution utilities. The fiber electronics costs and scope will be addressed in the Telecom Operating Committee and then conveyed to the Operating Committee –Mr. Stamp committed to convey that schedule to the Operating Committee.
- Mr. White provided a brief summary of CV’s SmartGrid rollout in the Rutland area. He indicated that project is going well and that the electronics had been ordered. He noted that sequencing of the project is key and that CV is targeting an October 2011 start date with completion set for April of 2013. Ken Couture indicated that GMP’s meter deployment was not linked to the fiber project, however the substation and distribution automation projects were linked to the fiber deployment. Mr. Wright commented that VEC’s current SmartGrid deployment relies upon powerline carrier for communications and that VEC was considering a different communications approach for future upgrades to their system.
- Mr. Stamp indicated that lit fiber electronics were being evaluated for synergies resulting from the proposed CVPS and GMP merger.

IV. GMP Metering Issue

- Mr. Omand gave a presentation on a metering issue recently uncovered. It was determined that GMP received a double credit on their load calculation that resulted in underbilling to GMP. VELCO has followed the steps in the Operating Committee metering correction resolution (i.e., RBA at ISO, VTA and energy credit). Total amount of the underbilling is \$2.64 million. VELCO has met with GMP metering and financial team to review the event.
- Mr. Omand noted that VELCO is evaluating legal concerns about the method being used to resolve metering issues.
- Mr. Couture noted that the six year statute of limitations should be revisited— GMP believes it is too long. He asked that the group reconsider the duration of how long the metering resolution should go back.
- The committee agreed to revisit the policy at its September meeting.

V. System Assessment Project

- Mr. Dunn provided an update on the system assessment project. He indicated that the first two phases of the project (confirming relay settings, completing “as built” drawings) are underway. He noted that VELCO has found issues at the Stowe, Middlesex and Essex substations. He stated that the new commissioning

process would have prevented these issues from occurring. Mr. Dunn provided an update on the schedule and cost of the project.

VI. Other business

- Mr. Couture provided an update of the discussion on Service Quality Standards. He indicated that he had received comments from several distribution utilities and that he was waiting to hear from the municipal utilities. He indicated that he intended to have a conversation with the DPS about the standards, particularly about the major storm definition. He stated that the intent of the effort was not to change the plans but rather to seek a clarification with respect to the major storm definition. The committee will discuss the status of this effort again in August.
- Mr. Dunn also provided an update on the K-41 line work that was recently completed. He noted that VELCO, upon determining that the K-41 had serious clearance violations, had taken the line out of service and submitted an emergency filing with the PSB to obtain a waiver to complete corrective measures to the line. VELCO obtained the waiver on June 24 and completed the required work and returned the line to service in the second week of July. The PSB ordered that a regular §248 be submitted within one year. VELCO is studying the line to determine if it is necessary to bring the line back up to the full rating of the existing conductor and if so, what additional work is required.