

VELCO Operating Committee Meeting Minutes
Thursday, January 15, 2009

The Operating Committee meeting for Vermont Electric Power Company, Incorporated was held at VELCO, 366 Pinnacle Ridge Road, Rutland, Vermont and was called to order by the Chairman, Neal Robinson, at 11:08a.m.

Committee Members in attendance were Kevin Perry, Don Rendall, Kerrick Johnson, Ken Nolan, Neal Robinson, Ellen Burt, Greg White, Ernie, Hiatt, Judy Frazier with Ken Mason participating by telephone. Other participants were Frank Etori, Dave Coleman, Kim Pritchard, Tamara Strauss, Deena Frankel, Thad Omand, Bob Amelang, and participating by telephone was Patty Richard.

By motion duly made by Ken Mason and seconded by Don Rendall, the minutes of the December 18, 2008 meeting were approved as submitted.

A copy of the updated appendix for percentage of Ownership of VT Transco was distributed.

Discussed revision protocol to V-TAM. They were approved with the exception of moving bullet four to become the second bullet. It was decided that when a DU submits a proposed change they will submit it as an agenda item. If they do not wish to have it as an agenda item they may submit a redline version, which will then be posted to the website.

SPA Draft

- Neal Robinson handed out an illustration comparing O&M allocation under the current V-TAM wording and under the proposed SPA.
- Committee discussed with Dave Coleman
- Neal Robinson is to go back to Richard Lorenzo and ask that SPA be revised only in respect to cost allocation, which should be changed from per capita to asset based allocation.

Definition of Exclusive Facilities

- Dave Coleman reviewed his proposed change to the V-TAM definition
- After discussion Dave was asked to expand the definition
- Dave will edit and forward to Neal for clarification

VELCO Long Range Planning

- Greg White distributed a suggested "Affected Utility" criteria
- After discussion it was agreed that Greg would modify the criteria and forward to Frank Etori. Frank will then apply the criteria to the projects in the Long Range Plan. The revised listing will be circulated for review but will be submitted to the VSPC. There

will be an effort to solicit input from DU's and resolve any disagreements prior to a VSPC vote in February.

IGAP Credit

- Thad Omand reviewed his proposal interpretation of the IGAP definition and application.
- Significant discussion surrounding the IGAP credit definition and the intent of the language used.
 1. Associated load
 2. Associated local load
 3. Connected... to the system of any Purchaser
 4. Whether the 50% credit pertains to both pre and post 7/1/1990 units or 50% to pre 7/1/1990 units and 100% to post 7/1/1990 units.
- Ken Nolan volunteered to draft a Strawman for review and discussion at next month's meeting.

Meeting was adjourned at 3:30pm. Next meeting will be on 2/16/09, with the location to be determined.

Respectfully submitted,

Judy Frazier, Secretary