

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Case No. 23-3734-PET

Petition of Vermont Transco LLC and Vermont Electric Power Company, Inc. (collectively, “VELCO”), for a Certificate of Public Good pursuant to 30 V.S.A. § 248 authorizing construction of the “Franklin County Line Upgrade Project” consisting of upgrades to VELCO’s existing K42 transmission line in Georgia, St. Albans, Swanton, and Highgate, Vermont	
---	--

**SECOND SUPPLEMENTAL TESTIMONY OF SCOTT S. MALLORY
ON BEHALF OF VERMONT ELECTRIC POWER COMPANY, INC.
AND VERMONT TRANSCO LLC**

June 18, 2024

Mr. Mallory describes the new proposed Project laydown yard, and he offers an update to the cost estimate of the proposed Project since the Petition was filed in October 2023.

SECOND SUPPLEMENTAL TESTIMONY OF SCOTT S. MALLORY
ON BEHALF OF VERMONT ELECTRIC POWER COMPANY, INC.
AND VT TRANSCO LLC

1 **Q1. Did you previously testify in this matter, Case No. 23-3734-PET, the petition**
2 **of Vermont Electric Power Company, Inc. and Vermont Transco LLC (collectively**
3 **“VELCO”), for a certificate of public good, pursuant to 30 V.S.A. § 248, authorizing**
4 **upgrades to the K42 transmission line in Georgia, St. Albans, Swanton, and Highgate,**
5 **Vermont (the “Project”)?**

6 **A1. Yes, I did.**

7

8 **Q2. What is the purpose of this Supplemental Testimony?**

9 **A2. I describe the new proposed Project laydown area. I also discuss a minor change**
10 **to the Project cost estimate since the Petition filing was submitted on October 26, 2023 and**
11 **provide an update on ISO-NE’s review and approval of the project costs for regional rate**
12 **recovery.**

13

14 **Q3. Please describe the changes to VELCO’s plans for a Project laydown area for**
15 **this Project.**

16 **A3. The Project laydown area in the Town of St. Albans, discussed in my February**
17 **23, 2024 Supplemental Testimony, is no longer available for lease. VELCO now proposes to use**
18 **a different property to serve as the laydown area to support the Project’s construction phase**
19 **activities. VELCO plans to use an approximate 10-acre area within the eastern portion of the**
20 **Shelburne Limestone Corporation’s active quarry, with access from 65 Demers Drive in**

1 Swanton, Vermont. See **Exhibit Petitioner SSM-16 (Revised)**, which is a map of the proposed
2 Project laydown yard in Swanton, Vermont.

3 VELCO plans to temporarily use this area within the quarry for construction meetings,
4 and equipment and material storage during the construction period of the Project. The site will
5 not be altered, but for temporary fencing and signage. This Swanton laydown yard will serve as
6 the one laydown yard for the Project. Project materials may also be stored temporarily in the
7 maintenance area for the K42 line across Route 78 from the Highgate Substation, and in an area
8 immediately outside of the VELCO substation in Georgia, as I noted in my Direct Testimony. A
9 construction trailer for storage and/or construction meetings may be placed at the laydown area
10 in Swanton or one of the two substation areas identified for Project storage.

11

12 **Q4. Has VELCO evaluated whether using the proposed laydown area in Swanton**
13 **will have the potential to impact any of the Section 248 criteria or the general good of the**
14 **State under Section 248(a)? If so, what was the conclusion of that evaluation?**

15 **A4.** Yes. In his Second Supplemental Testimony, witness Andrew McMillan explains
16 that there is no potential for impacts on Section 248 natural and/or historic resources criteria
17 from the temporary use of this approximate 10-acre laydown area for Project construction
18 support.

19 During delivery of any large equipment or materials to the laydown area, VELCO will
20 employ the services of traffic control personnel to manage traffic flow at Demers Drive and
21 enable emergency response vehicles to get to and from where they need to go. VELCO will only
22 use the Demers drive entrance to avoid residential traffic and noise concerns.

1 There are no impacts on any other Section 248 criteria from the temporary use of this
2 approximate 10-acre active quarry. This Project benefits the general good of the State, and the
3 proposed laydown area will support this important Project.
4

5 **Q5. Has VELCO informed the landowners adjoining the new, proposed laydown**
6 **area of the plan to utilize a portion of the property as a Project construction laydown area?**

7 **A5.** VELCO has sent correspondence to adjoining landowners about the proposed
8 plan to utilize this location as a laydown area to support Project construction.
9

10 **Q6. Why and how has the Project cost estimate changed since the initial Petition**
11 **filing?**

12 **A6.** As per VELCO's practice in preparation for construction and to request cost
13 recovery approval from ISO-NE, the estimate was revised in March 2024 with the most up to
14 date information. Our cost estimate moved from an engineering grade to a construction grade
15 classification as we further defined the work and updated material and construction costs with
16 more recent quotes and costs. The capital cost to construct the new line has increased from
17 \$84,644,559 with contingency, to \$88,684,552 with contingency. The increase of \$4,039,993 is
18 approximately 4.8%.
19

20 **Q7. What has driven this increase?**

21 **A7.** Although there have been many cost changes in materials and contracted labor,
22 some of which produced savings, there have been a couple of key changes that led to this
23 increase: construction mat use has increased as we modified some structure locations, structure

1 foundations, and their access routes (noted in my Supplemental Testimony of February 23,
2 2024), and contracted labor rates to build our access routes to the structures have risen.

3

4 **Q8. Please describe the current status of ISO-NE cost recovery approval.**

5 **A8.** On May 1, 2024 the Transmission Cost Allocation application for regional cost
6 recovery was submitted to ISO-NE and reviewed by the NEPOOL Reliability Committee on
7 May 14, 2024 and June 18, 2024. The NEPOOL Reliability Committee unanimously approved of
8 the project cost recovery in its advisory vote. I continue to expect the ISO-NE to formally
9 approve regional cost recovery for the full Project cost amount.

10

11 **Q9. Does this conclude your testimony at this time?**

12 **A9.** Yes, it does.

DECLARATION OF SCOTT S. MALLORY

I declare that the above statements are true and accurate to the best of my knowledge and belief.
I understand that if the above statements are false, I may be subject to sanctions by the
Commission pursuant to 30 V.S.A. § 30.

06/18/24
Date



Scott S. Mallory