

Attachments for

DE 12-015

Asset ID 12323

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7455

Petition of Washington Electric Cooperative, Inc. )  
("WEC") requesting: (1) a certificate of public good, )  
pursuant to 30 V.S.A. § 248(j), authorizing the )  
Coventry Project Expansion; and (2) approval of )  
WEC's promissory note to the National Rural )  
Utilities Cooperative Finance Corporation, pursuant )  
to 30 V.S.A. § 108, to finance the Coventry Project )  
Expansion )

Entered:

9/17/2008

**CERTIFICATE OF PUBLIC GOOD ISSUED**  
**PURSUANT TO 30 V.S.A. SECTION 248**

IT IS HEREBY CERTIFIED that the Public Service Board of the State of Vermont this day found and adjudged that the proposed construction associated with the expansion of the generating facility and substation upgrade in Coventry, Vermont, by Washington Electric Cooperative, Inc. in accordance with the evidence and plans submitted in this proceeding, will promote the general good of the State, subject to the following conditions:

1. Construction, operation, and maintenance of the project shall be in accordance with the plans and evidence submitted in this proceeding.
2. Washington Electric Cooperative, Inc. shall not begin construction until its members have approved the project, pursuant to 30 V.S.A. § 248(c).
3. All construction activities will be in compliance with the Coventry Generation Facility's Erosion Prevention and Sediment Control Plan.
4. This Certificate of Public Good shall not be transferred without prior approval of the Board.

DATED at Montpelier, Vermont, this 17th day of September, 2008.

s/ James Volz )

) PUBLIC SERVICE

s/ David C. Coen )

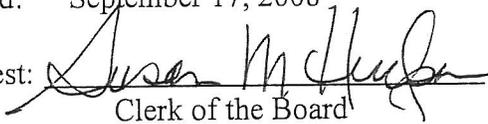
) BOARD

s/ John D. Burke )

) OF VERMONT

A TRUE COPY:  
OFFICE OF THE CLERK

Filed: September 17, 2008

Attest:   
Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)*



ARTICLE III

Availability, Force Majeure and Liability

VTransco does not guarantee to transmit a constant supply of power and energy under this Agreement. VTransco will transmit for the Purchaser only such power and energy as are made available to VTransco under VELCO's or the Purchaser's contracts with the sources of the same, and VTransco makes no commitment to make available to the Purchaser any power or energy that is not available to it from those sources. If a source curtails the power and energy made available to VTransco under its contract with VELCO, the power and energy made available to the Purchaser from that source shall be reduced proportionately.

VTransco shall not be responsible in tort, contract or otherwise to the Purchaser for damages of any description whatsoever that may result from any interruption or failure of service or deficiency in the quality of service unless the interruption or failure or deficiency is the result of willful default by VTransco. Except in the case of such willful default, it is the intent of this Article III that the Purchaser shall assume the risks of interruption, failure or deficiency in quality or quantity of service caused by the hazards of the business to the same extent as if the Purchaser were itself operating transmission facilities for the purpose of supplying itself with electricity, and the Purchaser shall not be excused from making payment to VTransco of any charge referred to in Article IV by reason of the fact that VTransco is excused by the provisions of this Article III from transmitting electricity.

Issued by: Thomas N. Wies  
VTransco - Managing Member Representative

Effective on: With notice, on or after June 20, 2006

Issued on: April 21, 2006

## ARTICLE IV

### Payment

Commencing on the effective date of this Agreement the Purchaser shall pay to VTransco for each month a transmission capacity charge determined by the following formula:

$$T = \frac{TC}{GP} \times SFP + PDP \times \frac{TCA}{TD}$$

Where T = Total Monthly Charge to Purchaser

### DEFINITIONS

Purchaser = Purchaser of transmission services from VTransco under this Agreement. A Purchaser is an electric utility furnishing service within the state of Vermont or the Vermont Department of Public Service. For purposes of applying this tariff, the term "Purchaser's" or "of Purchaser" shall include such items as facilities, demand, sales, capability responsibility, load, peak, generating capacity and generating units of itself and of any other such utility for which the Purchaser is contracting to provide transmission over the VTransco system.

SF = Specific Facilities, which are those high-voltage transmission lines, substations and other appurtenances constituting a direct physical interconnection to the VTransco system and not constituting part of VTransco' looped transmission facilities, that are requested, used, and installed to benefit a requesting Purchaser of transmission service. Any new Specific Facility shall be allocated entirely to the requesting Purchaser of transmission service until the Purchaser provides VTransco with a written agreement under which additional Purchasers of transmission service agree to support a different allocation or until the Specific Facility shall have been in service for ten full years, at which time it shall become a part of Common Facilities.

For informational purposes only, the cost of Specific Facilities allocated to each customer as of the most recent July 1 is listed in Exhibit A. On July 1 of each year, VTransco will make an informational filing with the Federal Energy Regulatory Commission to update Exhibit A with the most recent data available at that time.

CF = Common Facilities, which are those VTransco facilities that comprise the

Issued by: Thomas N. Wies  
VTransco - Managing Member Representative

Effective on: March 26, 2007

Issued on: January 25, 2007

state-wide, high-voltage transmission grid, interconnecting and serving the load centers of the State, and which are used in common by all Purchasers of transmission service on a state-wide basis, and any facilities that would otherwise be defined as Specific Facilities, but that were in service on 7/1/90 or that became Common Facilities after 10 years of service.

- GP = Total Gross Plant, which is equal to the original cost of all Common and Specific Facilities in service at the end of the second previous month.
- SFP = Original cost of Specific Facilities assigned to the Purchaser at the end of the second previous month.
- PDP = The Purchaser's Peak Billing Demand for transmission services of VTransco, expressed in kilowatts.
- FSDP = Purchaser's Foreign Sales Billing Demand = The greater of:
- (1) zero, or
  - (2) Purchaser's kilowatt sales of capacity to out-of-state purchasers that is delivered through the VTransco system in contracts of one month or greater duration during the second previous month; plus the sum of Purchaser's maximum daily kilowatt sales to out-of-state purchasers that are delivered through the VTransco system in contracts of less than one month duration during the second previous month, divided by 60; plus Purchaser's maximum one-hour peak load, in kilowatts, during the second previous month, less any portion of that peak delivered under other transmission tariffs; minus PP.
- TD = Total Billing Demand in kilowatts of all VTransco firm service Customers, equal to the sum of all Purchaser's PDP.
- CY = Current Year.
- PDP(CY) = Current Year Peak Billing Demand in kilowatts of the Purchaser.
- PP = Purchaser's Peak Load, which is the maximum one-hour peak, in kilowatts, of the Purchaser incurred in the twelve months period ending one month prior to the beginning of month for which billing is being rendered, less any portion of the Purchaser's peak that is delivered under other transmission tariffs and that does not utilize the VTransco system for

Issued by: Thomas N. Wies                      Effective on: With notice, on or after June 20, 2006  
VTransco - Managing Member Representative

Issued on: April 21, 2006

either primary or backup service.

CPP = The Purchaser's measure share, expressed in kilowatts, of the VTransco maximum Coincident Peak load experienced in the twelve months period ending one month prior to the beginning of the month for which billing is being rendered, less any portion of the Purchaser's share that is delivered under other transmission tariffs and that does not utilize the VTransco system for either primary or backup service.

IGAP = Purchaser's Internal Generation Adjustment, expressed in kilowatts, to be calculated each month for the second previous month for the Purchaser, which shall equal 50% of the Purchaser's entitlement to NEPOOL accredited generation capacity installed on or directly connected to the system of any Purchaser on July 1, 1990, plus Purchaser's entitlement to NEPOOL accredited generation capacity installed after 7/1/90 which is connected, with associated load, to the system of any Purchaser, to the extent that such capacity, in addition to previously installed capacity, does not exceed the historical peak load of such associated local load. If the Purchaser sells for a full month to an out-of-state purchaser an entitlement to internal generation for which an Internal Generation Adjustment would otherwise be granted, the Adjustment shall be retained by the seller.

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VTransco - Managing Member Representative

Issued on: April 21, 2006

The Purchaser's Peak Billing Demand will be determined by the following formula:

PDP(CY) = The larger of the following:

(1)  $\frac{PP + CPP}{4} + FSDP$ , or

(2)  $\frac{PP + CPP}{2} - IGAP + FSDP$

TC = Total costs of VTransco for such month which shall mean the sums of the following for such month:<sup>1</sup>

(1) All operating expenses, including the cost of purchased power, and including all expenses recorded in the following FERC accounts, if any:

- 401 Operating Expenses
- 402 Maintenance Expense
- 403 Depreciation Expense
- 404 Amortization of Limited Term Electric Plant
- 405 Amortization of Other Electric Plant
- 406 Amortization of Electric Plant Acquisition Adjustments
- 407 Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs
- 411.7 Losses from Disposition of Utility Plant
- 421.2 Loss on Disposition of Property
- 425 Miscellaneous Amortization
- 426.1 Donations
- 426.2 Life Insurance
- 426.3 Penalties
- 426.4 Expenditures for Certain Civic, Political and Related Activities
- 426.5 Other Deductions

(2) All fixed charges, including interest and amortization of debt discount and expense and premium on debt, plus

<sup>1</sup> References hereto to specific FERC Accounts are to accounts within the Uniform System of Accounts presented for public utility and licenses subject to the provisions of the Federal Power Act, 18 CFR Part 101, in effect as of April 1, 1992. Although changes in the designation of FERC Accounts thereafter may result in use of new or different account numbers for items enumerated herein, the Total Costs (TC) of VTransco to be recovered hereunder shall not be affected by such changes.

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VTransco - Managing Member Representative

Issued on: April 21, 2006

- (3) An amount equal to all taxes including taxes on or measured by income, including all expenses recorded in the following FERC accounts, if any:
- 408.1 Taxes other than Income Taxes, Utility Operating Income
  - 408.2 Taxes other than Income Taxes, Other Income and Deductions
  - 409.1 Income Taxes, Utility Operating Income
  - 409.2 Income Taxes, Other Income and Deductions
  - 410.1 Provisions for Deferred Income Taxes, Utility Operating Income
  - 410.2 Provision for Deferred Income Taxes, Other Income and Deductions
  - 411.1 Provision for Deferred Income Taxes – Credit, Utility Operating Income
  - 411.2 Provision for Deferred Income Taxes – Credit, Other Income and Deductions
  - 411.4 Investment Tax Credit Adjustments, Utility Operating Income
  - 411.5 Investment Tax Credit Adjustments, Non-utility Operations

plus

- (4) An amount for such month which, after provision shall have been made for all of the other costs including all taxes on or measured by income shall equal, on an annual basis, 11.5% of the par value of VTransco' outstanding Class A membership units, and 13.3% of the par value of VTransco' outstanding Class B membership units, as shown by VTransco' books as of the beginning of such month,
- (5) Less deductions for income received by VTransco during such month other than for income received for transmission of power pursuant to this Tariff, including all income recorded in the following FERC accounts, if any, other than income received from ISO New England for RNS service:

- 400 Operating Revenues
- 411.6 Gains from Disposition of Utility Plant
- 414 Other Utility Operating Income
- 419 Interest and Dividend Income
- 419.1 Allowance for Other Funds Used During Construction

Issued by: Thomas N. Wies  
VTransco - Managing Member Representative

Effective on: April 6, 2007

Issued on: February 5, 2007

421 Miscellaneous Non-operating Income  
421.1 Gain on Disposition of Property

TCA = Total Costs Adjusted, which is equal to TC less (a) any revenue received under this tariff for Specific Facilities and less (b) any revenue received from ISO New England for RNS service.

VTransco will bill the Purchaser hereunder as soon as practicable after the end of each month for all amounts payable by the Purchaser with respect to the particular month. Such bills shall be due and payable when rendered, shall include such detail as the Purchaser may reasonably request, and may be rendered on an estimated basis subject to corrective adjustments after rendition. Upon request by the Purchaser, VTransco shall provide estimates of such corrective adjustments.

Any amount due and remaining unpaid ten days following the date of issuance of bills shall bear interest at an annual rate, compounded monthly, equivalent to one hundred twenty percent of the current prime rate then in effect at The First National Bank of Boston, from the due date to the date payment is received by VTransco.

## ARTICLE V

### Transmission Service Provided

VTransco shall transmit the electricity for the Purchaser from the points at which the power and energy enters VTransco's facilities to such points on its system as the power and energy leave VTransco's facilities to enter the facilities of the Purchaser or an assignee of the Purchaser or a utility performing further transmission service on behalf of the Purchaser or its assignee. VTransco shall not be responsible for arrangements for transmission service other than on its own transmission facilities.

Issued by: Thomas N. Wies  
VTransco - Managing Member Representative

Effective on: April 6, 2007

Issued on: February 5, 2007







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Issued by: Thomas N. Wies                      Effective on: With notice, on or after June 20, 2006  
VTransco - Managing Member Representative

Issued on: April 21, 2006

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 13

IN WITNESS WHEREOF, VTransco and the undersigned Purchaser have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this \_\_\_\_ day of \_\_\_\_\_, 2006.

VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Denis Levesque 4/11/06  
Title: VILLAGE SUPERVISOR - Barton

Vermont Transco, LLC  
FERC Rate Schedule No. 1

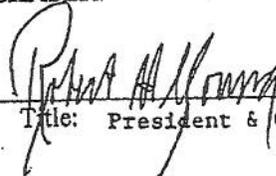
Original Sheet No. 13

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By:  \_\_\_\_\_  
Title: President & CEO

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 13

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Raymond Laroche, 4/11/06  
Title: Chair

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 13

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VERMONT TRANS CO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By:  \_\_\_\_\_  
Title: VP, General Counsel and  
Corporate Secretary

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 13

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: *[Signature]* 4/10/2006

Title:

GM HARDWICK  
ELECTRIC DEPT

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 13

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: *Paul DiLanna*

Title: *CO-CHAIR*

*VILLAGE of HYDE PARK*

*ILL Regan*  
*co-chair, BOT*  
*VDHP*

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 13

IN WITNESS WHEREOF, VTransco and the undersigned Purchaser have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this 27 day of March, 2006.

VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: \_\_\_\_\_  
Title:

*PRESIDENT  
VILLAGE OF JACKSONVILLE*

*3/27/06*

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 13

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER: *Village of Ludlow Electric Dept*

By: *John J. Collins Jr.*  
Title: *Treasurer/Controller*

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 13

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Craig T. Jayolter 4/4/06  
Title: Interim Manager  
DMW:L

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 13

IN WITNESS WHEREOF, VTransco and the undersigned Purchaser have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this 29<sup>th</sup> day of MARCH, 2006.

VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER: Village of Northfield

By: Janis Allard  
Title: Mgr. 3/29/06

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 13

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: John Molloy III  
Title: Village Manager

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 13

IN WITNESS WHEREOF, VTransco and the undersigned Purchaser have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this 23 day of MARCH, 2006.

VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Guy Allard 2/23/06  
Title: Swanton Village Manager

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 13

IN WITNESS WHEREOF, VTransco and the undersigned Purchaser have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this 30<sup>th</sup> day of March, 2006.

VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: David C. Ballquist 3/30/06  
Title: CEO

Vt. Electric Coop

IN WITNESS WHEREOF, VTransco and the undersigned Purchaser have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this 29<sup>th</sup> day of April, 2006.

VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Mark Patt 4/29/06  
Title: General Manager  
Washington Electric Coop

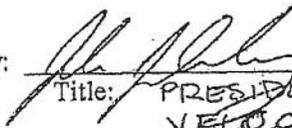
Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

IN WITNESS WHEREOF, VTransco and the undersigned Purchaser have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this \_\_\_\_ day of \_\_\_\_\_, 2006.

VERMONT TRANSCO LLC

By:   
Title: PRESIDENT & CEO OF  
VETCO, THE MANAGER OF  
VERMONT TRANSCO LLC

PURCHASER:

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Issued by: Thomas N. Wies                      Effective on: With notice, on or after June 20, 2006  
VTransco - Managing Member Representative

Issued on: April 21, 2006

IN WITNESS WHEREOF, VTransco and the undersigned Purchaser have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this 20<sup>th</sup> day of April, 2006.

VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: [Signature]  
Title: General Manager

By: Barbara A. Cosgrove  
Title: Assistant Secretary

Vt. Marble Co./OMYA

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

IN WITNESS WHEREOF, VTransco and the undersigned Purchaser have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this 8 day of MAY, 2006.

VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER: *Forchester Electric Light & Power Co*

By: *Thomas Perce President*  
Title: *5/8/06*

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: *[Signature]*  
Title: *Authorized Agent*

*Village of Readsboro Electric Light  
Department*

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: *Kerith C. Ryan*  
Title: *MANAGER, LED Lyndonville Electric*

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Mary Peabody *vice chair*  
Title:

Village of Johnson Electric Light Department

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Barbara L Grimes  
Title: General Manager  
Burlington Electric

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 14

ACKNOWLEDGMENT OF ARBITRATION

Each party understands that this Agreement contains an agreement to arbitrate. After signing this document, each party understands that it will not be able to bring a lawsuit concerning any dispute that may arise and that is covered by the arbitration agreement, unless it involves a question of constitutional or civil rights. Instead, each agrees to submit any such dispute to an impartial arbitrator.

VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Denis Levesque  
Title: Barton Village Supervisor

Vermont Transco, LLC  
FERC Rate Schedule No. 1

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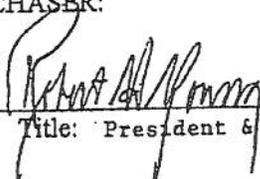
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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By:  \_\_\_\_\_  
Title: President & CEO

Vermont Transco, LLC  
FERC Rate Schedule No. 1

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Raymond Laroche 4/11/06  
Title: Chair

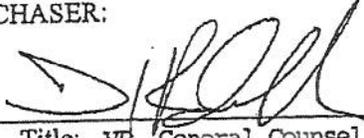
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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By:   
Title: VP, General Counsel and  
Corporate Secretary

Vermont Transco, LLC  
FERC Rate Schedule No. 1

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Dee New 4/10/2006  
Title: GM HARDWICK ELECTRIC DEPT

ACKNOWLEDGMENT OF ARBITRATION

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: [Signature]  
Title: CO-CHAIR  
VILLAGE of Hyde PARK  
12/17/17  
co-chair,  
village of Hyde Park.

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 14

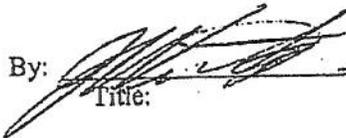
ACKNOWLEDGMENT OF ARBITRATION

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By:  3-27-06  
Title:

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER: *Village of Ludlow Electric Dept*

By: *John J. Poole Jr.*  
Title: *Treasurer/Controller*

Vermont Transco, LLC  
FERC Rate Schedule No. 1

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Craig T. Nayditer 4/4/06  
Title: Interim Manager  
M.W.L.

Vermont Transco, LLC  
FERC Rate Schedule No. 1

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER: *Village of Northfield*

By: *David Record*  
Title: *Mgr.* *3/29/06*

Vermont Transco, LLC  
FERC Rate Schedule No. 1

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: John Morley III  
Title: Village Manager

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 14

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: *Joseph A. Hogue 3/29/06*  
Title: *Swanton Village Manager*

Vermont Transco, LLC  
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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: *[Signature]* 3/30/06  
Title:  
CEO  
VT Electric Coop

ACKNOWLEDGMENT OF ARBITRATION

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: *[Signature]*  
Title: *General Manager*  
*4/27/06*  
*Washington Electric Coop*

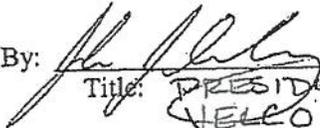
Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel  
Issued on: April \_\_, 2006

Effective on: June \_\_, 2006

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VERMONT TRANSCO LLC

By:   
Title: PRESIDENT & CEO of  
VELCO, THE MANAGER  
of VERMONT TRANSCO LLC

PURCHASER:

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Issued by: Thomas N. Wies      Effective on: With notice, on or after June 20, 2006  
VTransco - Managing Member Representative

Issued on: April 21, 2006

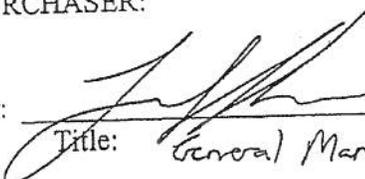
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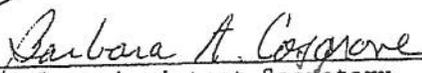
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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By:   
Title: General Manager

By:   
Title: Assistant Secretary

VT. Marble Co./OMYA

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Issued on: April \_\_, 2006

Effective on: June \_\_, 2006

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER: *Rochester Electric Light & Power Co.*

By: *Thomas Pierce*  
Title: *3/8/06*

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

ACKNOWLEDGMENT OF ARBITRATION

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: *[Signature]*  
Title: *Anthony [Signature]*  
*Village of Readsboro Electric Light  
Department*

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

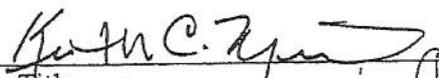
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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By:   
Title: MANAGER, LED Lyndonville Electric

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Mary Pearl <sup>Vice</sup> Chair  
Title:

Village of Johnson Electric Light Department

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Barbara L. Grimes  
Title: General Manager  
Burlington Electric

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

Exhibit A

1991 Transmission Agreement  
Specific Facilities\*

Barton	0
Burlington	0
Central Vermont	0
Citizens	0
Enosburg	0
Franklin	0
Green Mountain	3,229,499
Hardwick	0
Hyde Park	0
Jacksonville	0
Johnson	0
Ludlow	0
Lyndonville	0
Morrisville	0
Northfield	0
Orleans	0
Readsboro	0
State of Vermont	0
Stowe	0
Swanton	0
Vermont Elec. Coop.	589,172
VT Marble	0
VPPSA	0
Washington	0

\* The data provided in this Exhibit A is for informational purposes only.

Issued by: Leslie A. Cadwell  
VT Transco - Managing Member Representative

Effective on: July 1, 2008

Issued on: July 1, 2008

Post-Retirement Benefits Other Than Pensions

For the purposes of Article IV payment, the SFAS No. 106 amount shown below will be included in Account No. 401

	1993 <u>(Actual)</u>	1994 <u>(Actual)</u>	1995 <u>(Projected)</u>
Total FAS-106 provision	\$80,940.00	\$82,512.00	\$81,287.00
Total benefits paid	(13,608.90)	(13,707.70)	(13,287.00)
401(h) contribution	0.00	(69,512.00)	(68,000.00)
SFAS-106 provision more (less) than benefits paid or funded	<u>\$67,331.10</u>	<u>(707.70)</u>	<u>0.00</u>

Issued by: Thomas N. Wies                      Effective on: With notice, on or after June 20, 2006  
VTransco - Managing Member Representative

Issued on: April 21, 2006

CRITERIA FOR "SPECIFIC FACILITIES"

Section 1. Design and Configuration

(a) Specific Facilities consist of high voltage (115 kV and above) facilities and, in the case of a substation (stepping down to a lower voltage), the transformer, secondary voltage transformer circuit breaker, appurtenances and ancillary equipment, controls and control circuitry. All such facilities must be designed and specified by VTransco or be in accordance with VTransco' designs and specifications and/or consistent with VTransco standard practice.

(b) High voltage Specific Facilities (without transformer) must be interconnected to the existing VTransco system by a high voltage circuit breaker, which must be designed and specified by VTransco, including ancillary devices, control and control circuitry, all in accordance with VTransco standard practice.

(c) Metering, telemetering, remote control and communications facilities must be provided in accordance with VTransco' standard practice then currently in use on its existing facilities of a similar nature.

(d) Administrative control of the Specific Facilities must be by VTransco for purposes of operating the Specific Facilities and the remainder of the VTransco system in accordance with VTransco' standard practice, so as to maintain safe and reliable delivery of power to the Specific Facilities and to the interconnected high voltage system. Included is the responsibility to operate according to NEPOOL and NPCC rules.

(e) Maintenance of the Specific Facilities must be performed by VTransco or according to VTransco standard practice with opportunity for VTransco to review maintenance practices with respect to their possible effect on the interconnected high voltage system.

Section 2. Initiation and Approval Process

(a) Whenever, as a result of the request of one or more Vermont utilities, VTransco studies, the studies of others, or other information, it appears to VTransco that the construction of Specific Facilities may be required, VTransco shall determine if such construction

(1) is consistent with VTransco' Mission to "design, construct, acquire, contract for, maintain and operate an optimal system of transmission facilities in Vermont as a part of an integrated regional network to serve the needs of the electric distributions companies in Vermont in a fair and efficient manner," and

(2) is consistent with the criteria for such construction set forth in 30 V.S.A., § 248 (b)(1), (2), (3), (4), (5) and (8).

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VTransco - Managing Member Representative

Issued on: April 21, 2006

(b) If VTransco does determine that the construction is consistent with the foregoing criteria, it shall seek the concurrence and agreement for the allocation of costs, pursuant to the 1991 Transmission Agreement, by the requesting and/or benefiting utility or utilities. VTransco shall then proceed to apply for a certificate of public good pursuant to 30 V.S.A. § 248. VTransco and the requesting and/or benefiting utility or utilities shall cooperate in the preparation and presentation of a filing with the Vermont Public Service Board under 30 V.S.A. § 248 and the securing of a § 248 certificate of public good.

(c) If VTransco determines that the proposed construction does not meet the criteria set forth in paragraph IIa, above, it will not initiate the process for Section 248 approval. If, however, the benefiting utility/utilities believe that the proposed facility does meet the above criteria, it/they may initiate a proceeding pursuant to Section 248 for approval of the construction. VTransco will cooperate with such utility/utilities to assure that the proposed construction meets VTransco criteria for design and configuration and will otherwise cooperate in the preparation of the application by providing technical information, design criteria, results of studies and similar information. Nothing contained herein, however, shall limit VTransco's rights to intervene in such proceeding or to refrain from intervening. If VTransco does intervene, it may assert such position on the merits of the application as it, in its sole discretion, determines; and it may offer testimony and/or argument as to why, in its judgment, the proposed construction does not satisfy the criteria of Section 248 and/or is inconsistent with VTransco's mission.

(d) If the requesting utility/utilities are granted a certificate of public good by the Public Service Board for a Specific Facility consistent with VTransco design and configuration standards, VTransco shall proceed in a timely fashion to design and construct it as a Specific Facility to be supported by the requesting utilities in the manner provided by the 1991 Transmission Agreement.

### Section 3. Specific Facility/Cost Sharing

(a) If an improvement or addition is made to a Specific Facility during the ten years before it becomes a part of Common Facilities, and such improvement significantly changes the proportions of the use of the Specific Facility by the Purchasers supporting it, the Purchaser or Purchasers requesting the improvement shall provide VTransco with a written agreement among themselves and the Purchasers supporting the Specific Facility, with respect to the allocation of the support costs of the Specific Facilities for the remainder of the ten years, as well as the improvements thereto. If such an agreement is not presented to VTransco, VTransco may reallocate the support costs of the affected Specific Facilities on the basis of the Purchaser's or Purchasers' projected proportionate share of the peak demand on such facilities.

### Section 4. Capital Improvements to Common Facilities

(a) A capital improvement to Common Facilities shall be deemed Specific Facilities if:

Issued by: Thomas N. Wies                      Effective on: With notice, on or after June 20, 2006  
VTransco - Managing Member Representative

Issued on: April 21, 2006

- (1) Construction of the improvement requires a Certificate of Public Good under 30 V.S.A., § 248, and
  - (2) the Common Facilities to which the improvement is made would be deemed Specific Facilities if constructed under the 1991 Transmission Agreement, and
  - (3) the improvement otherwise meets the definition of Specific Facilities, and
  - (4) the cost of the improvement project is greater than \$50,000.00 in 1992, indexed upward for succeeding years pursuant to the Handy-Whitman Index, and
  - (5) the improvement will increase the normal operating capacity of the improved facility by at least twenty percent.
- (b) In the case of improvements initiated by VTransco to meet capability or reliability requirements which have not been specifically requested by the Purchasers served by such facilities, support costs shall be allocated on the basis of the Purchaser's or Purchasers' proportionate share of the peak demand on such facilities during the calendar year preceding approval by the Public Service Board, but not including periods of abnormal operating conditions.

Issued by: Thomas N. Wies                      Effective on: With notice, on or after June 20, 2006  
VTransco - Managing Member Representative

Issued on: April 21, 2006



respect to transmission services or entitlements. VTransco shall not refuse to provide to any party hereto information concerning existing, future, or planned transmission facilities or services that it has provided to any other such party; provided, that VTransco shall not be obligated to provide the results of studies performed by VTransco and funded by others for their own use unless required to do so by law. On a periodic basis, and not less than semi-annually, VTransco shall report to all VTPs and the DPS any significant changes or plans for changes in its transmission facilities or services.

3. Determination of Limited Interfaces. Whenever it appears to VTransco that an interface on its system has become a Limited Interface, it shall declare it to be such and shall notify in writing all VTPs and the DPS of its determination. VTransco shall maintain an up-to-date inventory of Limited Interfaces as Appendix A to this Supplement.

4. Allocation of Capacity on Limited Interfaces. Upon making a determination pursuant to paragraph 3, above, VTransco shall allocate the capacity of the Limited Interface in the manner set forth below. VTransco shall maintain an up-to-date inventory of allocations, including revisions and assignments, as Appendix B to this Supplement,

a. Allocation to the DPS. The DPS shall be allocated such number of kilowatts of capacity over the New York-New England interface as is necessary to transmit its purchases of Niagara and St. Lawrence power, and it shall also be allocated over that interface and any other Limited Interface such number of kilowatts of capacity as is necessary to transmit power under any contract for which it has received Public Service Board approval, provided that such interface shall have been specified as the transmission path in the application for such approval.

b. Allocation to VTPs. VTransco shall allocate to the VTPs the capacity available on the Limited Interface after the allocation to the DPS. Each VTP shall be allocated a percentage of available capacity equal to the average of its percentage of the total transmission revenues paid by all VTPs for the four year period ending on the last day of the December preceding the date on which the Limited Interface declaration is made, except that, until the 1991 Transmission Agreement shall have been in effect for four complete calendar years, such period shall consist of those complete calendar years commencing on or after January 1, 1992.

c. Revision of allocations.

i. Changes in contracts. If the contract or contracts for which capacity on a Limited Interface has been allocated to the DPS terminate, or if the amount of capacity purchased thereunder is reduced, or if the PSB approves an increase in the capacity purchased thereunder, or if the DPS enters into an additional contract for which it has received PSB approval and for which use of a Limited Interface specified in its application for approval is required, VTransco shall adjust the DPS's allocation accordingly. If the allocation to the DPS is reduced, the capacity thereby made available shall be allocated to the VTPs using the allocators most recently determined pursuant to paragraph 4.b., above, or 4.c.iii., below. If the allocation to

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VTransco - Managing Member Representative

Issued on: April 21, 2006



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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Daniel Pearce 4/11/06  
Title: VILLAGE SUPERVISOR  
Barton

Vermont Transco, LLC  
FERC Rate Schedule No. 1

Original Sheet No. 23

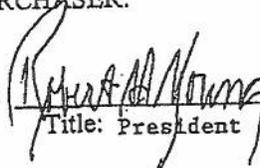
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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By:  \_\_\_\_\_  
Title: President & CEO

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Raymond Laroc 4/11/06  
Title: Chair

Vermont Transco, LLC  
FERC Rate Schedule No. 1

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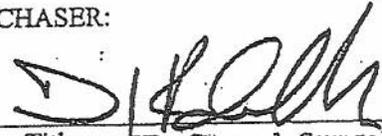
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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By:   
Title: V.P., General Counsel and  
Corporate Secretary

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title: \_\_\_\_\_

PURCHASER:

By: *[Signature]* 4/10/2006  
Title: \_\_\_\_\_  
GM HARDWICK ELECTRIC  
DEPT.

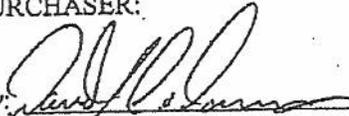
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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By:   
Title: CO-CHAIR

VILLAGE of HYDE PARK

128. 17  
co-chair  
Village of Hyde Park

**ACKNOWLEDGEMENT OF ARBITRATION**

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By:  3-27-06  
Title: PRESIDENT  
VILLAGE of JACKSONVILLE

ACKNOWLEDGEMENT OF ARBITRATION

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER: *Village of Ludlow Electric Dept.*

By: *John J. Poole Jr.*  
Title: *Treasurer/Controller*

ACKNOWLEDGEMENT OF ARBITRATION

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Craig T. Jayater 4/4/06  
Title: Interim Manager  
MW LLC

ACKNOWLEDGEMENT OF ARBITRATION

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER: *Village of Northfield*

By: *Nancy Quinn*  
Title: *MGR.* *3/29/06*

**ACKNOWLEDGEMENT OF ARBITRATION**

I UNDERSTAND THAT THIS AGREEMENT CONTAINS AN AGREEMENT TO ARBITRATE. AFTER SIGNING THIS DOCUMENT, I UNDERSTAND THAT I WILL NOT BE ABLE TO BRING A LAWSUIT CONCERNING ANY DISPUTE THAT MAY ARISE, AND WHICH IS COVERED BY THE ARBITRATION AGREEMENT, UNLESS IT INVOLVES A QUESTION OF CONSTITUTIONAL OR CIVIL RIGHTS. INSTEAD, I AGREE TO SUBMIT ANY SUCH DISPUTE TO AN IMPARTIAL ARBITRATOR.

VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: John Malley III  
Title: Village Manager.

ACKNOWLEDGEMENT OF ARBITRATION

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: George Allene 3/23/06  
Title: Swanton Village Manager

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: *[Signature]* 3/30/06  
Title: CEO

*VT. Electric Coop*

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: *[Signature]*  
Title: *General Manager*  
*4/27/06*  
*Washington Electric Coop*

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

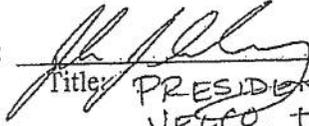
Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

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VERMONT TRANSCO LLC

By:   
Title: PRESIDENT & CEO of  
VERSCO, the manager of  
Vermont TRANSCO, LLC  
PURCHASER:

By: \_\_\_\_\_  
Title:

Issued by: Thomas N. Wies                      Effective on: With notice, on or after June 20, 2006  
VTransco - Managing Member Representative

Issued on: April 21, 2006

**ACKNOWLEDGEMENT OF ARBITRATION**

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By:   
Title: *General Manager*

By: *Barbara A. Cosgrove*  
Title: *Assistant Secretary*

*Vt. Marble Co/OMYA*

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER: *Rehoboth Electric Light & Power Co*

By: *Thomas Pava President*  
Title: *5/8/06*

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel  
Issued on: April \_\_, 2006

Effective on: June \_\_, 2006

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: *Robert C. Casin*  
Title: *Assistant Cashier*

*Village of Readsboro Electric Light  
Department*

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel  
Issued on: April \_\_, 2006

Effective on: June \_\_, 2006

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: *Keith H. C. [Signature]*  
Title: *MANAGER, CED Lyndonville Electric*

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: *Mary Leach* <sup>VPC</sup> *Chair*  
Title:

*Village of Johnson Electric Light Dept.*

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

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VERMONT TRANSCO LLC

By: \_\_\_\_\_  
Title:

PURCHASER:

By: Barbara L Grimes  
Title: General Manager  
Burlington Electric

Issued by: Thomas N. Wies  
Vice President, Secretary and General Counsel

Effective on: June \_\_, 2006

Issued on: April \_\_, 2006

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7209

Petition of Washington Electric Cooperative, )  
Inc. ("WEC") for: (1) a certificate of public )  
good, pursuant to 30 V.S.A. § 248(j), )  
authorizing the Coventry Project Expansion; and )  
(2) approval of WEC's promissory note to the )  
National Rural Utilities Cooperative Finance )  
Corporation, pursuant to 30 V.S.A. § 108, to )  
finance the Coventry Project Expansion )

Order entered: 10/5/2006

**I. INTRODUCTION**

This case involves a petition filed by Washington Electric Cooperative, Inc. ("WEC") on August 4, 2006, requesting a certificate of public good under 30 V.S.A. § 248(j) to install an additional 1.6 MW engine and other facilities at the Coventry Generation Facility. WEC submitted prefiled testimony, proposed findings, and a proposed order pursuant to the requirements of 30 V.S.A. § 248(j).<sup>1</sup>

Notice of the filing was sent on August 28, 2006, to all entities specified in 30 V.S.A. § 248(a)(4)(c) and all other interested parties. The notice stated that any party wishing to submit comments as to whether the petition raises a significant issue with respect to the substantive criteria of 30 V.S.A. § 248 needed to file comments with the Board on or before September 27, 2006. A similar notice of the filing was published in the *Newport Daily News* on August 30 and September 6, 2006.

The only comment received was from the Department of Public Service, filed on September 27, 2006, stating that it does not believe that the petition raises a significant issue with

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1. We approve the financing for this project in a separate order in this Docket issued today.

respect to the criteria of Section 248 and has no objection to the issuance of a certificate of public good.

The Board has determined that the proposed construction will be of limited size and scope and that the petition has effectively addressed the issues raised with respect to the substantive criteria of 30 V.S.A. § 248. Consequently, we find that the procedures authorized by Section 248(j) are sufficient to satisfy the public interest, and no hearings are required.

## II. FINDINGS

1. In 2005, WEC finished construction of its 4.8 MW landfill-gas-to-energy generation facility in Coventry, Vermont. The Coventry Generation Facility currently utilizes three 1.6 MW Caterpillar 3520 engines to produce energy from the landfill gas. The building that houses the existing three engines was built with a fourth bay to accommodate the installation of a fourth 1.6 MW Caterpillar 3520 engine. Patt pf. at 3-4; see Docket 6925, Order of 6/4/04.

2. The Coventry Generation Facility will reach its current maximum capacity in the fall of 2006 or early 2007 due to recovery of landfill gas exceeding expectations. The installation of the additional 1.6 MW engine would increase the installed capacity of the facility from 4.8 MW to 6.4 MW. The increased availability of landfill gas would permit four engines to generate at a rate of approximately 5.6 MW by late 2007. Murphy pf. at 6; exh. WEC- 33.

3. The fourth engine would be installed in a pre-existing building that currently houses the three existing engines. The major structural, electrical, and mechanical infrastructure needed for the fourth engine currently exists. Weston pf. at 4-5; exh. WEC-3d.

4. WEC also proposes to install washing equipment and a composting toilet at the facility. WEC would install a 1,200 gallon reservoir tank, which would be filled with non-potable water provided by a water truck. Pressurized water would be dispensed through an electric pump, rubber hose, and spray nozzle. Spent wash water would enter pre-existing floor sumps and be piped into a pre-existing 1,500 gallon storage tank. The storage tank would be emptied by a licensed hauler and disposed at an appropriate treatment facility. The composting toilet would be placed in an empty room adjacent to the switch gear room at the facility. Murphy pf. at 7-8; exhs. WEC-34, WEC-35, and WEC-40.

5. The anticipated cost of the proposed project is \$1,300,000. WEC would pay for the proposed project with low-cost financing provided through a note with the National Rural Utilities Cooperative Finance Corporation funded by the sale of Clean Renewable Energy Bonds, established pursuant to the Energy Policy Act of 2005. Patt pf. at 5; Weston pf. at 7.

### **Orderly Development of the Region**

[30 V.S.A. § 248(b)(1)]

6. The proposed project would not unduly interfere with the orderly development of the region, with due consideration having been given to the recommendations of the municipal and regional planning commissions, the recommendations of municipal legislative bodies, and the land conservation measures contained in the plan of any affected municipality. This finding is supported by findings 7 and 8, below.

7. The proposed project was presented to the Town of Coventry and the Northeastern Vermont Development Association. Neither entity submitted any objections. Both entities waived the 45-day advance notice requirement contained in Section 248(f). Weston pf. at 8; exhs. WEC-4 and WEC-5.

8. The proposed construction would occur within an existing building, which is located within a landfill. Weston pf. at 21; exhs. WEC-8 and WEC-10.

### **Need for Present and Future Demand for Service**

[30 V.S.A. § 248(b)(2)]

9. The proposed project is required to meet present and future demand for service which could not otherwise be provided in a more cost-effective manner through energy conservation programs and measures and energy efficiency and load management measures. WEC's need for capacity over the next twenty years will likely range between 8 to 12 MW, assuming the implementation of demand-side management. Accordingly, the proposed project would meet WEC's capacity requirements in the near and long-term. Faryniarz pf. at 15-16; exh. WEC-53.

**System Stability and Reliability**

[30 V.S.A. § 248(b)(3)]

10. The proposed project would not adversely affect system stability and reliability. This finding is supported by findings 11 through 14, below.

11. The proposed project does not present thermal or voltage concerns that would adversely impact local transmission and sub-transmission reliability. LaForest pf. at 3.

12. Installation of a fourth 1.6 MW engine would help address some local reliability concerns by providing local generation in an area that largely imports its power. LaForest pf. at 3.

13. ISO-NE has no concerns that the proposed project would have an adverse impact on the transmission system. LaForest pf. at 4.

14. The current substations and transmission lines serving the Coventry Generation Facility have sufficient capacity to accommodate the proposed increase in generation. Crocket pf. at 3-6.

**Economic Benefit to the State**

[30 V.S.A. § 248(b)(4)]

15. The proposed project would provide an economic benefit to the State. This finding is supported by findings 16 through 18, below.

16. The total cost to WEC for the proposed project is approximately \$1.3 million. As a result of adding a fourth engine at the Coventry Generation Facility, the projected 20-year levelized net cost of power at the facility would drop from 4.3 c/kWh to 3.8 c/kWh. Patt pf. at 5; Weston pf. at 7; Faryniarz pf. at 26, 28; exhs. WEC-55a and WEC-55b.

17. The proposed project would provide an economic benefit to the State by providing WEC customers with a low-cost, stable power source. Faryniarz pf. at 10-11.

18. The proposed project would benefit the State economically by providing power directly within Vermont and into the VELCO transmission system without further burdening the ISO-NE system with imported energy. In addition, the power generated from the proposed project would be an economic benefit to the State by satisfying an increasing statewide demand for power. Faryniarz pf. at 17, 30.

**Aesthetics, Historic Sites, Air and Water Purity,**  
**the Natural Environment and Public Health and Safety**

[30 V.S.A. § 248(b)(5)]

19. The modifications as proposed will not have an undue adverse effect on aesthetics, historic sites, air and water purity, the natural environment and public health and safety. This finding is supported by findings 20 through 40; below, which are the criteria specified in 10 V.S.A. §§ 1424(a)(d) and 6086(a)(1)-(8)(a) and (9)(k).

**Outstanding Resource Waters**

[10 V.S.A. § 1424(a)(d)]

20. The proposed project would not affect any outstanding resource waters. Weston pf. at 11.

**Water and Air Pollution**

[10 V.S.A. § 6086(a)(1)]

21. The proposed project would not result in undue water or air pollution. This finding is supported by findings 22 through 26, below.

22. Landfill gas at the generation facility is chilled to remove the moisture prior to its combustion in the engines. The moisture or condensate is mixed with the leachate already produced at the landfill and trucked off-site to a water treatment facility. The incremental increase in condensate created by the fourth engine would not be significant and would be disposed in the manner described above. Murphy pf. at 11-12.

23. The proposed project would not result in any discharges to the groundwater. The proposed composting toilet is completely self-contained and would not generate any discharges. The spent wash water would be collected in an existing underground, water-tight concrete storage tank. The spent water would be properly disposed of at a permitted waste water treatment facility. The Agency of Natural Resources has issued a permit authorizing the installation of the wash-water system and the composting toilet. Murphy pf. at 7, 12-13; exhs. WEC-10, WEC-34, and WEC-35.

24. In the event of an oil or glycol leak from the fourth engine, the oil or glycol would be contained in the existing concrete pits underneath the engine. Any leakage into the pit would be pumped, collected, and disposed or recycled at an appropriate disposal facility. Murphy pf. at 14; exhs. WEC-3d and WEC-34.

25. The proposed project would not involve earth disturbance or changes to the existing landfill conditions. Weston pf. at 5, 10.

26. The proposed project would not result in undue air pollution. The net emissions of air contaminants (after accounting for the diversion of landfill gas from the landfill flare to the generating facility) would be within acceptable limits. The existing Air Pollution Control Permit covers a fourth 1.6 MW engine and the Air Pollution Control Division of the Agency of Natural Resources does not require an amendment to the existing permit for the fourth engine. Murphy pf. at 9-10; exhs. WEC-37 and WEC-38.

#### **Headwaters**

[10 V.S.A. § 6086(a)(1)(A)]

27. The proposed project is located within a headwaters region. However, because the proposed construction occurs within an existing building located on the site of a landfill, there would not be an undue adverse impact on the water quality in the area. Weston pf. at 12-13; findings 22-25, above.

#### **Waste Disposal**

[10 V.S.A. § 6086(a)(1)(B)]

28. The proposed project would meet applicable health and environmental conservation regulations regarding the disposal of wastes, and would not involve the injection of waste materials or any harmful toxic substances into ground water or wells. Murphy pf. at 14.

**Water Conservation**

[10 V.S.A. § 6086(a)(1)(C)]

29. The proposed project would not utilize a significant amount of water. The composting toilet does not require any water. A modest amount of non-potable water would be provided by truck and held in a 1,200-gallon reservoir tank for quarterly wash-downs. A limited amount of water would also be needed for engine cool-downs. Annually, less than 1,000 gallons of spent wash water would be generated. Murphy pf. at 7, 13, 15.

**Floodways, Streams, and Shorelines**

[10 V.S.A. §§ 6086(a)(1)(D)(E) &amp;(F)]

30. The proposed project is not located within a floodplain or near a stream or shoreline. Murphy pf. at 13-14.

**Wetlands**

[10 V.S.A. § 6086(a)(1)(G)]

31. There is a Class II wetland in the vicinity of the generation facility. However, the proposed project would not change the footprint or utilities leading to the building. Consequently, there would be no adverse impact to the wetland. Weston pf. at 15; exh. WEC-8.

**Sufficiency of Water and Burden on Existing Water Supply**

[10 V.S.A. §§ 6086(a)(2)&amp;(3)]

32. The proposed project would not utilize a significant amount of water. The composting toilet does not require any water. A modest amount of non-potable water would be provided by truck and held in a 1,200-gallon reservoir tank for quarterly wash-downs. A limited amount of water would also be needed for engine cool-downs. Annually, less than 1,000 gallons of spent wash water would be generated. Murphy pf. at 7, 13, 15.

**Soil Erosion**

[10 V.S.A. § 6086(a)(4)]

33. The proposed project would not cause soil erosion, as the proposed construction would not involve soil disturbance. Weston pf. at 15.

**Transportation Systems**

[10 V.S.A. § 6086(a)(5)]

34. The proposed project would not cause unreasonable congestion or unsafe conditions with respect to transportation systems. Weston pf. at 16.

**Educational and Municipal Services**

[10 V.S.A. §§ 6086(a)(6) and (7)]

35. The proposed project would not cause an unreasonable burden on educational or municipal services. Weston pf. at 16.

**Aesthetics, Historic Sites  
and Rare and Irreplaceable Natural Areas**

[10 V.S.A. § 6086(a)(8)]

36. The proposed project would not have an undue adverse impact on the scenic or natural beauty, aesthetics, historic sites, or rare and irreplaceable natural areas. This finding is supported by findings 37 and 38, below.

37. The proposed construction would take place within an existing building. The only external changes involve a venting pipe for a composting toilet and an additional exhaust vent for the engine. Weston pf. at 18.

38. There are no historic sites or rare and irreplaceable natural areas in the vicinity of the proposed project that would be impacted. Weston pf. at 18; exhs. WEC-9 and WEC-10.

**Necessary Wildlife Habitat and Endangered Species**

[10 V.S.A. § 6086(a)(8)(A)]

39. There are no known wildlife habitats or endangered species in the immediate vicinity of the proposed project that would be adversely impacted by the proposed construction. Weston pf. at 19; exh. WEC-10.

**Development Affecting Public Investments**

[10 V.S.A. § 6086(a)(9)(K)]

40. The proposed project would not unnecessarily or unreasonably endanger the public or quasi-public investments in any governmental public utility facilities, services, or lands, or materially jeopardize or interfere with the function, efficiency, or safety of the public's use or enjoyment of or access to such facilities, services, or lands. Weston pf. at 20.

**Least-Cost Integrated Resource Plan**

[30 V.S.A. § 248(b)(6)]

41. The proposed project is consistent with WEC's Least-Cost Integrated Resource Plan by providing sustainable renewable energy at stable costs. The proposed project has superior emissions and societal-cost profiles compared with fossil-fuel generation and permits WEC to maximize the benefits of its access to low-cost capital. Faryniarz pf. at 32-33; exh. WEC-52.

**Compliance with Electric Energy Plan**

[30 V.S.A. § 248(b)(7)]

42. The proposed project is consistent with the Vermont Twenty-Year Electric Plan because it would help meet Vermont's electricity needs in a manner that is reliable, sustainable, affordable, and environmentally sound. Faryniarz pf. at 33-36.

43. The Department filed a determination on September 22, 2006, that the proposed project is consistent with the Vermont Twenty-Year Electric Plan, in accordance with 30 V.S.A. § 202(f).

**Outstanding Resource Waters**

[30 V.S.A. § 248(b)(8)]

44. The proposed project would not affect any outstanding resource waters. Weston pf. at 11.

**Existing or Planned Transmission Facilities**

[30 V.S.A. § 248(b)(10)]

45. The proposed project could be economically served with existing transmission facilities without an undue adverse impact on Vermont utilities or customers. The current substation and transmission lines have adequate capacity for the fourth 1.6 MW engine. Crocket pf. at 4-5.

**III. REQUIRED VOTE AND ASSESSMENT OF RISKS AND BENEFITS**

WEC is required by Section 248(c) to conduct a vote on the proposed project, and to provide its voters with a written assessment of associated risks and benefits identified by the Board and an assessment of any other risks and benefits identified by WEC.

The benefits associated with the proposed project include the generation of WEC-owned, stable, renewable, low-cost power. The risks associated with the proposed project include the \$1.3 million financial commitment to a creditor to pay for the construction of the proposed project.

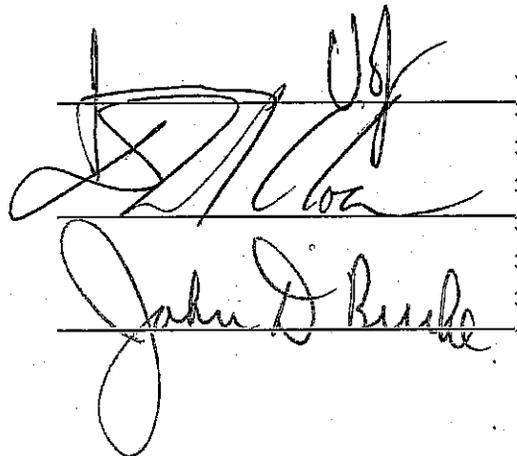
**IV. CONCLUSION**

Based upon all of the above evidence, we conclude that the proposed construction will be of limited size and scope; the petition does not raise a significant issue with respect to the substantive criteria of 30 V.S.A. § 248; the public interest is satisfied by the procedures authorized by 30 V.S.A. § 248(j); and the proposed project will promote the general good of the state.

V. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that the proposed modifications, in accordance with the evidence and plans presented in this proceeding, will promote the general good of the State of Vermont in accordance with 30 V.S.A. Section 248, and a certificate of public good shall be issued in the matter.

Dated at Montpelier, Vermont this 5<sup>th</sup> day of October, 2006.

Handwritten signatures of board members, including one that appears to be 'John D. Rusk'.

PUBLIC SERVICE  
BOARD  
OF VERMONT

OFFICE OF THE CLERK

FILED: October 5, 2006

ATTEST: Susan M. Johnson  
Clerk of the Board

*Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7209

Petition of Washington Electric Cooperative, Inc. )  
("WEC") for: (1) a certificate of public good, )  
pursuant to 30 V.S.A. § 248(j), authorizing the )  
Coventry Project Expansion; and (2) approval of )  
WEC's promissory note to the National Rural )  
Utilities Cooperative Finance Corporation, pursuant )  
to 30 V.S.A. § 108, to finance the Coventry Project )  
Expansion )

Entered: 10/5/2006

**CERTIFICATE OF PUBLIC GOOD ISSUED**  
**PURSUANT TO 30 V.S.A. SECTION 248**

IT IS HEREBY CERTIFIED that the Public Service Board of the State of Vermont this day found and adjudged that the proposed installation of a 1.6 MW engine and other facilities at the existing Coventry Generation Station, by Washington Electric Cooperative, Inc., in accordance with the evidence and plans submitted in this proceeding, will promote the general good of the State, subject to the following conditions:

1. Construction, operation, and maintenance of the project shall be in accordance with the plans and evidence submitted in this proceeding.
2. Washington Electric Cooperative, Inc. shall not begin construction until its members have approved the project, pursuant to 30 V.S.A. § 248(c).
3. This Certificate of Public Good shall not be transferred without prior approval of the Board.



**H**

Slip Copy

Petition of Washington Electric Cooperative, Inc. (“**WEC**”) requesting: (1) a **certificate of public good**, pursuant to 30 V.S.A. s 248(j), authorizing the **Coventry Project Expansion**; and (2) approval of **WEC's** promissory note to the National Rural Utilities Cooperative Finance Corporation, pursuant to 30 V.S.A. s 108, to finance the **Coventry Project Expansion**  
7455

Vermont Public Service Board  
Order entered: September 17, 2008

**I. INTRODUCTION**

\*1 This case involves a petition filed by Washington Electric Cooperative, Inc. (“**WEC**”) on July 14, 2008, requesting a **certificate of public good** under 30 V.S.A. § 248(j) to install an additional 1.6 MW engine along with the necessary building expansion and substation upgrades at the **Coventry** Generation Facility. **WEC** submitted prefiled testimony, proposed findings, and a proposed order pursuant to the requirements of 30 V.S.A. § 248(j).<sup>FN1</sup>

FN1. We approve the financing for this project in a separate order in this Docket issued today.

Notice of the filing was sent on August 18, 2008, to all entities specified in 30 V.S.A. § 248(a)(4)(c) and all other interested parties. The notice stated that any party wishing to submit comments as to whether the petition raises a significant issue with respect to the substantive criteria of 30 V.S.A. § 248 needed to file comments with the Public Service Board (“Board”) on or before September 15, 2008. A similar notice of the filing was published in the *Newport Daily News* on August 18 and August 25, 2008.

On September 12, 2008, the Agency of Natural Resources (“ANR”) and the Department of Public Service (“DPS”), respectively, filed letters stating that the petition does not raise a significant issue with respect to the criteria of Section 248 and a certificate of public good should be issued.

The Board has determined that the proposed construction will be of limited size and scope and that the petition has effectively addressed the issues raised with respect to the substantive criteria of 30 V.S.A. § 248. Consequently, we find that the procedures authorized by Section 248(j) are sufficient to satisfy the public interest, and no hearings are required.

**II. FINDINGS**

1. The petitioner is a public service cooperative as defined by 30 V.S.A. § 201 and as such is subject to Board jurisdiction. Petition at 1.
2. The proposed project includes the installation of an additional 1.6 MW engine-generator to the existing landfill gas-to-energy generation facility in Coventry, Vermont. The plant expansion will include a building expansion to add the fifth engine-generator and substation upgrades to accommodate the additional generation. The building expansion and substation upgrades will occur on a pre-existing earth pad inside the existing landfill property. Petition at 2-3.
3. In 2005, WEC finished construction of its 4.8 MW landfill-gas-to-energy generation facility. In 2006, WEC completed a 1.6 MW expansion of the facility. The Coventry Generation Facility currently utilizes four 1.6 MW Caterpillar 3520 engines to produce energy from the landfill gas. The existing four engines and related equipment are housed in an on-site building. Patt pf. at 3-4; see Docket 6925, Order of 6/4/04, and Docket 7209, Order of 10/5/06.

\*2 4. The plant is currently generating approximately 6.3 MW on a continuous basis, supplying almost 60 percent of WEC's energy needs. Weston pf. at 3.

5. The generator's electrical output is routed through the plant's switchgear and substation where the power is stepped up to 46 kV for export to Vermont Electric Power Company, Inc's. ("VELCO") substation in Irasburg, Vermont. Weston pf. at 3.

6. The Coventry Generation Facility will reach its current maximum capacity by the end of 2008 due to recovery of landfill gas exceeding expectations. The installation of the additional 1.6 MW engine-generator would increase the installed capacity of the facility from 6.4 MW to 8.0 MW. Studies predict that the increased availability of landfill gas will permit five engines to generate at a rate of approximately 7.2 MW by early 2009, and to reach full installed capacity of 8.0 MW by late 2013. Murphy pf. at 7; exh. WEC-33.

7. The Coventry Generation Facility will be expanded to accommodate the addition of the fifth engine-generator and expanded gas scrubber room. The existing building that houses the current four engine-generators will be expanded on the south side by approximately 1700 square feet. The gas chiller unit will be moved from the south side to the east side of the building to allow for the building expansion. The engine radiator pad, on the outside west-side of the building will also need to be expanded by approximately 11 feet to install a fifth radiator. The ancillary equipment to be furnished and installed with the fifth generator set include radiator and ducting, exhaust piping and silencer, gas filter, oil day-tank system, and switchgear. Murphy pf. at 4-5; exhs. WEC-1, WEC-34, and WEC-39.

8. The facility fence line, on the north side of the existing building, will need to be expanded approximately 21 feet on the west side and 14 feet on the north side to facilitate the substation upgrades. The substation upgrades include a 4.16 kV bus and two circuit breakers, a spare 5000 kVA, 48 kV-4.16 kV

transformer, and 46 kV circuit breaker and switch. The spare transformer will have an oil-containment pit under the foundation. Weston pf. at 5; Crocket pf. at 4; exhs. WEC-39, WEC-62, WEC-65, and WEC-66.

9. The anticipated cost of the proposed project is \$3,135,000. WEC would pay for the proposed project with low-cost financing provided through a note with the Rural Utilities Service's Federal Financing Bank. Patt rev. pf. at 3.

### **Orderly Development of the Region**

[30 V.S.A. § 248(b)(1)]

10. The proposed project would not unduly interfere with the orderly development of the region, with due consideration having been given to the recommendations of the municipal and regional planning commissions, the recommendations of municipal legislative bodies, and the land conservation measures contained in the plan of any affected municipality. This finding is supported by findings 11 and 12, below.

\*3 11. The proposed project was presented to the Town of Coventry and the Northeastern Vermont Development Association. Neither entity submitted any objections. Both entities waived the 45-day advance notice requirement contained in [Section 248\(f\)](#). Weston pf. at 8-9; exhs. WEC-4 and WEC-5.

12. The proposed project will involve the expansion of an existing building at a generation facility and upgrades to an existing substation, both within an existing landfill facility. Weston pf. at 20.

### **Need for Present and Future Demand for Service**

[30 V.S.A. § 248(b)(2)]

13. The proposed project is required to meet present and future demand for service which could not oth-

erwise be provided in a more cost-effective manner through energy conservation programs and measures and energy efficiency and load management measures. WEC's need for capacity over the next twenty years will likely range between 1.8 to 12 MW, without the proposed project. Accordingly, the proposed project is needed to meet approximately 8 percent of WEC's projected unforced capacity requirements on average by 2009, and about 15 percent of its energy requirements, and there is a need for power immediately and over all years of the planning horizon. Faryniarz pf. at 13-16; exh. WEC-53a.

#### **System Stability and Reliability**

[30 V.S.A. § 248(b)(3)]

14. The proposed project would not adversely affect system stability and reliability. This finding is supported by findings 15 through 18, below.

15. The current transmission lines serving the Coventry Generation Facility have sufficient capacity to accommodate the increase in generation from the proposed project. Crocket pf. at 4-5.

16. In the event VELCO determines there is risk of out-of-step generation from the Coventry Generation Facility, VELCO will install an out-of-step relay at the Irasburg substation to alleviate this concern. Crocket pf. at 5; exh. WEC-64.

17. The addition of a spare transformer, 4.16 kV bus and two circuit breakers at the generation substation will also help insure system stability and reliability. Crocket pf. at 6.

18. The New England Independent System Operator ("ISO-NE") has no concerns that the proposed project would have an adverse impact on the transmission system. The addition of 1.6 MW of generation should have negligible impact on the 115 kV transmission system. Crocket pf. at 6; exh. WEC-64.

#### **Economic Benefit to the State**

[30 V.S.A. § 248(b)(4)]

19. The proposed project would provide an economic benefit to the State. This finding is supported by findings 20 through 22, below.

20. The total cost to WEC for the proposed project is approximately \$3.1 million. As a result of adding a fifth engine at the Coventry Generation Facility, the projected 20-year levelized net cost of power at the entire facility will be less than 5.0 cents/kWh. Patt rev. pf. at 3; Faryniarz pf. at 27; exh. WEC-55.

\*4 21. The proposed project will provide economic benefit to the State by providing WEC customers with a below-market-cost, stable baseload power source. The use of a dependable renewable resource provides WEC a cost-effective direct hedge against fossil-fuel costs and volatility in the wholesale electricity marketplace. Faryniarz pf. at 11.

22. The proposed project would benefit the State economically by providing power directly within Vermont and into the VELCO transmission system without burdening the ISO-NE system with imported energy. In addition, the power generated from the proposed project would be an economic benefit to the State by satisfying statewide demand for renewable power. Faryniarz pf. at 18, 31.

#### **Aesthetics, Historic Sites, Air and Water Purity, the Natural Environment and Public Health and Safety**

[30 V.S.A. § 248(b)(5)]

23. The Coventry Expansion Project as proposed will not have an undue adverse effect on aesthetics, historic sites, air and water purity, the natural environment and public health and safety. This finding is supported by findings 24 through 53; below, which are the criteria specified in 10 V.S.A. §§ 1424(a)(d) and 6086(a)(1)-(8)(a) and (9)(k).

### **Outstanding Resource Waters**

[10 V.S.A. § 1424(a)(d)]

24. The Project will not be located on or anywhere near any segment of any outstanding resource waters of the State as identified by the Water Resources Board. None of the streams or other waters in the vicinity of the project are so designated. Weston pf. at 12.

### **Water Pollution**

[10 V.S.A. § 6086(a)(1)]

25. The proposed project would not result in undue water or air pollution. This finding is supported by findings 26 through 30, below.

26. Landfill gas at the generation facility is chilled to remove the moisture prior to its combustion in the engines. The moisture, or condensate, is mixed with the leachate already produced at the landfill and trucked off-site to a water-treatment facility. The incremental increase in condensate created by the fifth engine would not be significant and would be disposed of in the manner described above. Murphy pf. at 10-12.

27. The proposed project would not result in any discharges to the groundwater. The proposed project is located at a landfill where the area underlying the landfill is lined to collect runoff and the certification of the landfill requires the monitoring of groundwater to ensure that there is no contamination. Murphy pf. at 12.

28. In the event of an oil or glycol leak from the fifth engine, the oil or glycol would be contained in the existing concrete pits underneath the engine. Any leakage into the pit would be pumped, collected, and disposed of or recycled at an appropriate disposal facility. Murphy pf. at 13; exhs. WEC-3d and WEC-34.

\*5 29. The substation upgrades will include the ad-

dition of a new spare transformer. The spare transformer will have an oil-containment pit under the foundation. Crocket pf. at 4; exhs. WEC-65 and WEC-66.

30. The building expansion will disturb less than 2,400 square feet and will be constructed upon an existing compacted and relatively flat earth pad with minimal slope for surface drainage. Implementation of an Erosion Prevention and Sediment Control Plan (“EPSCP”) during construction will prevent unreasonable soil erosion. Murphy pf. at 15-19; exh. WEC-41.

### **Air Pollution**

[10 V.S.A. § 6086(a)(1)]

31. The proposed project would not result in undue air pollution. The net emissions of air contaminants (after accounting for the diversion of landfill gas from the landfill flare to the generating facility) would be within acceptable limits. The Air Pollution Control Division of ANR issued an Air Pollution Control Permit authorizing the operation of the fifth engine-generator. Murphy pf. at 8-10; exh. WEC-37.

### **Headwaters**

[10 V.S.A. § 6086(a)(1)(A)]

32. The proposed project is located within a headwaters region. However, because the proposed construction occurs within an existing building located on the site of a landfill, there would not be an undue adverse impact on the water quality in the area. Weston pf. at 12-13; findings 26 through 30, above.

### **Waste Disposal**

[10 V.S.A. § 6086(a)(1)(B)]

33. The proposed project would meet applicable health and environmental conservation regulations

regarding the disposal of wastes, and would not involve the injection of waste materials or any harmful toxic substances into ground water or wells. Murphy pf. at 12-13.

**Water Conservation**

[10 V.S.A. § 6086(a)(1)(C)]

34. The proposed project would not utilize a significant amount of water. A limited amount of water also would be needed for engine washing and cool-downs. This water will be provided by trucked-in sources. Murphy pf. at 13-14.

**Floodways**

[10 V.S.A. §§ 6086(a)(1)(D)]

35. The proposed project is not located within a 100-year flood boundary or floodplain. Weston pf. at 14.

**Streams**

[10 V.S.A. §§ 6086(a)(1)(E)]

36. The proposed project is not located in close proximity to any streams. Weston pf. at 15.

**Shorelines**

[10 V.S.A. §§ 6086(a)(1)(F)]

37. The proposed project is not located near a shoreline. Weston pf. at 15.

**Wetlands**

[10 V.S.A. § 6086(a)(1)(G)]

38. There is a Class II wetland in the vicinity of the generation facility. However, the proposed project is outside the nearby Class II wetland and its fifty-foot buffer zone. Consequently, there would be no

adverse impact to the wetland. Weston pf. at 15-16; exh. WEC-8.

**Sufficiency of Water and Burden on Existing Water Supply**

[10 V.S.A. §§ 6086(a)(2)&(3)]

\*6 39. The proposed project would not utilize a significant amount of water. A limited amount of water would be needed for engine wash-downs and cooling. Given this modest use of water, the proposed project will not place a burden upon existing water supply. Murphy pf. at 13-14.

**Soil Erosion**

[10 V.S.A. § 6086(a)(4)]

40. The proposed project would not cause an adverse impact on soil erosion. This finding is supported by findings 41 through 43, below.

41. The building expansion will disturb less than 2,400 square feet or less than 0.06 acre, and therefore does not require a Construction General Permit. WEC will utilize the applicable standards and measures for preventing soil erosion set forth in the Erosion Prevention and Sediment Control Plan ("EPSCP") prepared for the Coventry Generation Facility's original construction in 2005. Murphy pf. at 14-15; exh. WEC-41.

42. The primary permanent runoff control measure to be implemented at the generation site is the establishment of permanent vegetation over disturbed areas that will minimize long-term soil losses due to erosion. The existing detention basin located to the south of the generation site has been modified to temporarily store and then discharge storm water in a controlled manner. Murphy pf. at 17; exhs. WEC 38a-c and WEC-39.

43. The construction of the building expansion and installation of equipment concrete pads will not significantly increase the impervious surface area of

the site nor stormwater discharge. The generation facility, including the building expansion, is covered by the existing stormwater discharge operational permit. Murphy pf. at 20; exh. WEC-40.

### **Transportation Systems**

[10 V.S.A. § 6086(a)(5)]

44. The proposed project would not cause unreasonable congestion or unsafe conditions with respect to transportation systems. The components of the project will be delivered by a tractor trailer. Since garbage trucks routinely travel on the local roads in the vicinity of the landfill, there will be no significant impact upon traffic or the transportation system. The building expansion will not increase the height of the existing structures, and will not have any adverse impact on the operation of the nearby Newport State Airport. Weston pf. at 16-17; exh. WEC-12.

### **Educational Services**

[10 V.S.A. §§ 6086(a)(6)]

45. The proposed project would not cause an unreasonable burden on educational services. None of the components associated with the project will negatively impact the local school system. Weston pf. at 17.

### **Municipal Services**

[10 V.S.A. §§ 6086(a)(7)]

46. The proposed project would not cause an unreasonable burden on municipal services. The proposed project will not require any municipal or governmental services. Weston pf. at 17.

### **Aesthetics, Historic Sites and Rare and Irreplaceable Natural Areas**

[10 V.S.A. § 6086(a)(8)]

\*7 47. The proposed project would not have an undue adverse impact on the scenic or natural beauty, aesthetics, historic sites, or rare and irreplaceable natural areas. This finding is supported by findings 48 through 51, below.

48. The proposed project will not have an adverse aesthetic impact to the area because the addition of a fifth generator and associated building expansion and substation upgrades is located in the middle of a landfill. Weston pf. at 19.

49. The proposed building expansion involves moving the southern exterior wall approximately 17 feet to the south and moving the gas chiller unit from the south to the east side of the building. The building expansion will match the existing building architecture and will maintain the same height dimension as the existing building. Weston pf. at 19.

50. Other visible features of the proposed project expansion will include the installation of a fifth engine radiator in series with the existing four units to the west of the engine room along with a mounted air handling unit, exhaust silencer, and stack. Each of these exterior components will match the existing facilities. Weston pf. at 19.

51. There are no historic sites or rare and irreplaceable natural areas in the vicinity of the proposed project that would be impacted. Weston pf. at 19; exhs. WEC-9 and WEC-10.

### **Necessary Wildlife Habitat and Endangered Species**

[10 V.S.A. § 6086(a)(8)(A)]

52. There are no known wildlife habitats or endangered species in the immediate vicinity of the proposed project that would be adversely impacted by the proposed construction. The proposed project is wholly located in the landfill area that has been previously developed. Weston pf. at 20; exh. WEC-10.

**Development Affecting Public Investments**

[10 V.S.A. § 6086(a)(9)(K)]

53. The proposed project would not unnecessarily or unreasonably endanger the public or quasi-public investments in any governmental public utility facilities, services, or lands, or materially jeopardize or interfere with the function, efficiency, or safety of the public's use or enjoyment of or access to such facilities, services, or lands. The proposed project will not impact any public investment. The Newport State Airport is within proximity to the Coventry Landfill, however, the proposed expansion of the generating facility will not adversely impact the airport operations. Weston pf. at 21; exh. WEC-12.

**Least-Cost Integrated Resource Plan**

[30 V.S.A. § 248(b)(6)]

54. The proposed project is consistent with WEC's Least-Cost Integrated Resource Plan by providing sustainable renewable energy at stable costs. The proposed project has superior emissions and societal-cost profiles compared with fossil-fuel generation, and permits WEC to maximize the benefits of its access to low-cost capital. Faryniarz pf. at 33; exh. WEC-52.

**Compliance with Electric Energy Plan**

[30 V.S.A. § 248(b)(7)]

\*8 55. The proposed project is consistent with the Vermont Electric Plan because it would help meet Vermont's electricity needs in a manner that is reliable, sustainable, affordable, and environmentally sound. Faryniarz pf. at 34-35.

56. The Department filed a determination on September 17, 2008, that the proposed project is consistent with the Vermont Electric Plan, in accordance with 30 V.S.A. § 202(f).

**Outstanding Resource Waters**

[30 V.S.A. § 248(b)(8)]

57. The proposed project will not be located on or anywhere near any segment of any outstanding resource waters. None of the streams or other waters near the proposed project are designated as an outstanding resource water. Weston pf. at 12.

**Existing or Planned Transmission Facilities**

[30 V.S.A. § 248(b)(10)]

58. The proposed project could be economically served with existing transmission facilities without an undue adverse impact on Vermont utilities or customers. The current transmission lines and substation, with planned upgrades, will have adequate capacity for the fifth 1.6 MW engine. Crocket pf. at 4.

**III. REQUIRED VOTE AND ASSESSMENT OF RISKS AND BENEFITS**

WEC is required by Section 248(c) to conduct a vote on the proposed project, and to provide its voters with a written assessment of associated risks and benefits identified by the Board and an assessment of any other risks and benefits identified by WEC.

The benefits associated with the proposed project include the generation of WEC-owned, stable, renewable, low-cost power. The risks associated with the proposed project include the \$3.1 million financial commitment to a creditor to pay for the construction of the proposed project.

**IV. CONCLUSION**

Based upon all of the above evidence, we conclude that the proposed project will be of limited size and scope; the petition does not raise a significant issue

with respect to the substantive criteria of 30 V.S.A. § 248; the public interest is satisfied by the procedures authorized by 30 V.S.A. § 248(j); and the proposed project will promote the general good of the state.

END OF DOCUMENT

#### **V. ORDER**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The proposed project of Washington Electric Cooperative, Inc. (“WEC”) on the site of WEC's existing generation facility and substation in **Coventry**, Vermont will promote the general **good** of the State of Vermont in accordance with 30 V.S.A. Section 248, and a **certificate of public good** to that effect shall be issued.

2. Upgrades to the project site shall be in accordance with the plans as submitted in these proceedings. Any material deviation from these plans must be approved by the Board.

\*9 3. Washington Electric Cooperative, Inc. shall not begin construction until its members have approved the project, pursuant to 30 V.S.A. § 248(c).

4. All construction activities will be in compliance with the Coventry Generation Facility's Erosion Prevention and Sediment Control Plan.

Dated at Montpelier, Vermont this 17th day of September, 2008.

James Volz

David C. Coen

John D. Burke

OFFICE OF THE CLERK FILED: September 17, 2008 ATTEST: Susan M. Hudson Clerk of the Board