

AUG 26 2008

August 20, 2008

Vermont Public Service Board
112 State Street
Drawer 20
Montpelier, VT 05620-2701

Dear Vermont Public Service Board Chairman and Members:

The Vermont electric distribution companies would like the Public Service Board to consider the continuation and expansion of targeted energy efficiency.

At a recent Vermont Systems Planning Committee general meeting there was agreement among the participants that we would continue to support energy efficiency efforts in the existing geographically targeted areas in the next EEU contract period, 2009 through 2011, except for the targeted Newport area.

Since that meeting Efficiency Vermont has alerted us to an opportunity to redirect the focus of their direct delivery programs to utilize the existing infrastructure to obtain additional energy savings. One way to accomplish that goal is to identify additional areas where load reduction could defer upgrades to allow for the continuation of these programs.

At the VSPC Transmission/Forecast joint meeting at VELCO on July 10th CVPS identified several additional areas where load reductions through targeted energy efficiency could potentially defer upgrades. The areas identified by CVPS are:

1. Mendon/Killington (potential winter load expansions)
2. Brattleboro (summer peak issues)
3. South Rutland (summer peak issues)

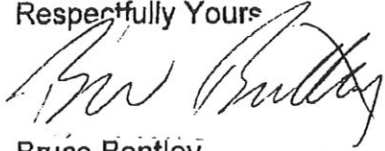
Green Mountain Power identified two additional substations in its area as well. These areas in South Burlington are the:

1. Airport substation;
2. Town Line substation.

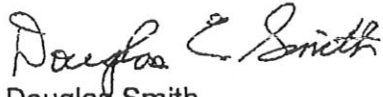
Subsequent to the meeting, CVPS contacted BED, WEC, VEC and VPPSA to seek input about other potential targets and no additional areas were proposed, although VPPSA is discussing it further in house – particularly the growth related portion of the Lyndonville substation project.

As a result of this investigation, we, the Vermont electric distribution companies, suggest that the Public Service Board consider the continuation of targeted energy efficiency in the existing areas (except Newport) and further consider the expansion to the additional areas identified above, if resources permit.

Respectfully Yours

A handwritten signature in cursive script, appearing to read "Bruce Bentley".

Bruce Bentley
Central Vermont Public Service Corporation

A handwritten signature in cursive script, appearing to read "Douglas Smith".

Douglas Smith
Green Mountain Power Corporation