



Gordon van Welie  
Chief Executive Officer

July 24, 2008

Vermont System Planning Committee  
366 Pinnacle Ridge Road  
Rutland, VT 05701

Mr. James Volz, Chairman  
Vermont Public Service Board  
112 State Street  
Drawer 20  
Montpelier, VT 05620-2701

Dear Vermont System Planning Committee Members and Chairman Volz:

Thank you for your letter of July 15 describing the Vermont planning process and your concerns regarding funding mechanisms for alternatives to Regionally Supported Transmission. As you are aware, ISO New England is responsible for the Regional Transmission Planning process and also administers the Regional Wholesale Electricity Power Markets. In combination, the planning process and the market structures are designed to work together to ensure power system reliability and adequacy of supply for New England.

As noted in your letter, the ultimate cost to consumers of electric energy and infrastructure is of great importance to the Vermont planning process and is certainly a concern which we share. To that end, I have asked Stephen Rourke, Vice President – System Planning, to serve as your contact at the ISO for our participation in this process going forward. Steve is directly responsible for System Planning at the ISO but also has many years of wholesale power market experience in his background to assist in the broader discussion.

This time of year represents several key activities going on at the ISO that will limit Steve's time in the month of August and early September as we are finalizing the Regional System Plan for 2008 (RSP08) and are completing our qualification package for supply and demand resources to participate in the second Forward Capacity Market Auction. Given this limitation, let me suggest that we schedule a meeting in mid-September to discuss your concerns and questions which will help us frame the dialogue going forward.

Please contact me or Steve Rourke, (413) 535-4306, if you have any questions.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Gordon van Welie", written over a horizontal line.

Gordon van Welie  
Chief Executive Officer

Cc: Steve Rourke – ISO New England Inc.