



VILLAGE OF LYNDONVILLE
ELECTRIC DEPARTMENT

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September 5, 2008

Deena Frankel
VELCO
Strategic System Planning Facilitator
366 Pinnacle Ridge Road
Rutland, Vt. 05701

Re: the LED/VELCO 115 kVA Substation Project now before the VSPC

Dear Deena,

On Tuesday I sent you a letter that advised you that because we are currently in negotiations with CVPS relating to "cost allocation" between distribution utilities for a VELCO 115 kVA Transmission Substation and that because of that, we were not in a position to advance an LED preferred substation design. Since then I have talked with you and Kim Moulton and our negotiations team and have decided to advance to the VSPC membership a design that we currently think makes the most sense overall for purposes of trying to stay within the VSPC schedule of NTA screening. I might also mention that this project addresses and is a suggested solution for a reliability deficiency at the Higgins Hill Substation in St. Johnsbury and should be considered for advancement by the VSPC on just that merit alone.

Our recommended design is "**Lyndonville Alternative 1B**" and is basically made up by the following, 1.) A 115 kV four-breaker ring tie, 2.) A 30/40/50/56 MVA LTC and, 3.) A 34.5 kV six-breaker ring configuration. I would like to point out that LED is still working with the Ginn Co./Burke Mountain in developing how best to electrically serve their future snow making and other loads and this might result in a change to the 34.5 kV breaker ring configuration. Instead of six, it might turn out to be just five or even perhaps go to just four. But this represents a small dollar amount when compared to the entire substation cost and not a substantial reason to hold up the NTA screening. We also have not "cast in concrete" the size of the 115 kVA Power Transformer, but again if it screens for the larger transformer, then it should by all rights also screen for a smaller one.

While writing this I checked my e-mail and found one from you that contained a letter from Bruce Bentley, CVPS, and I think it fairly represents part of the discussion that we've had with CVPS about NTA screening. I'm sure that between the two of us we should be able to adequately represent where we both are to the VSPC membership and keep this process moving forward.

Frankel Cont. Pg. 2

If you have any questions or comments, please call me at 1-802-626-3366 or e-mail me.

Thanks.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Ken", written over the printed name.

Kenneth C. Mason
LED Manager

Cc: Bill Piper, LED Esq.
Dave Mullett, VPPSA Gen Counsel
Bill Deehan, CVPS
Bruce Bentley, CVPS
Kim Moulton, VELCO
Ernie Hiatt, VELCO