

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7081

Investigation into Least-Cost Integrated Resource)
Planning for Vermont Electric Power Company, Inc.'s)
Transmission System)

Order entered: 8/1/2012

**ORDER RE: AMENDMENT OF MEMORANDUM OF UNDERSTANDING
AND CLOSING DOCKET**

I. INTRODUCTION

On June 20, 2007, the Public Service Board ("Board") approved a Memorandum of Understanding ("MOU") filed by most parties to this Docket.¹ The MOU provided for the creation of the Vermont System Planning Committee ("VSPC") to facilitate least-cost integrated resource planning for Vermont's transmission system. The Board's June 20 Order also provided that the Board could modify the MOU "upon reasonable notice to the parties and opportunity to request a hearing"2

On January 30, 2012, we issued an Order approving certain amendments to the MOU that had been proposed by the Vermont Electric Power Company, Inc. and Vermont Transco LLC (collectively, "VELCO"). In that Order, we required VELCO to make a compliance filing clarifying two of the proposed changes relating to MOU Paragraphs 28 and 51(c).

On May 1, 2012, VELCO made the required compliance filing. VELCO represented that the VSPC supports the clarifications in the filing.

No party filed comments on VELCO's compliance filing.

In this Order, we approve additional wording changes to MOU Paragraphs 28 and 51(c). We also determine that this Docket shall be closed as soon as VELCO files a complete copy of the amended MOU as provided herein.

1. The MOU is available on the Board's web site at <http://psb.vermont.gov/docketsandprojects/electric/7081/memorandumofunderstanding>.

2. Docket 7081, Order of 6/20/07 at 38.

II. DISCUSSION

Amendments to MOU

Our January 30, 2012, Order asked VELCO to clarify MOU Paragraphs 28 and 51.

With respect to MOU Paragraph 28, we required VELCO to file for Board approval either (a) revised language for that paragraph that retains the identification of the Lead Distribution Utility ("DU"), or (b) justification for deleting this requirement from the Long-Range Transmission Plan.

VELCO clarified that this requirement should not be eliminated and instead proposed the following modifications to Paragraph 28 to address the issue:

VELCO will release the Draft Transmission Plan for public review; such Draft Transmission Plan shall include all of the components required under 30 V.S.A. §218c(d), components those set forth in paragraph 4 through 6 of this MOU, and identification of the Lead DU assigned to oversee and coordinate the tasks necessary to complete Step 8.³

We have reviewed the proposed modifications to Paragraph 28 and determine that they are appropriate. Accordingly, we hereby approve them.

With respect to MOU Paragraph 51, we asked VELCO to clarify whether the intent was to require the VSPC to report quarterly to the VSPC (i.e., to itself). If so, we directed VELCO to explain the purpose of this apparent self-reporting. If not, we required VELCO to propose alternative language.

VELCO responded that the VSPC includes multiple standing and *ad hoc* subcommittees that advance the work of the group between meetings of the full VSPC. According to VELCO, the proposed revisions to MOU Paragraph 51 were intended to ensure at least quarterly reporting to the full VSPC by subgroups of the VSPC charged with advancing project-specific action plans. VELCO suggested that it might have been more clear for MOU Paragraph 51(c) to have stated:

The affected VSPC subgroups, VELCO and the DUs, as applicable, will Rreport progress in relation to the project action plan to the full VSPC quarterly and to the Board and the Department not less than annually. Where milestones have been

3. Letter from S. Mark Sciarrotta, Senior Counsel, VELCO, filed May 1, 2012 ("VELCO Compliance Filing") at 1.

modified, progress reports shall state in reasonable detail the reason for such modification.⁴

We have reviewed the substance of this proposed clarification and find it helpful. However, to improve the overall readability of MOU Paragraph 51, the suggested edits require additional non-substantive changes to the existing language of MOU Paragraph 51. Therefore, we approve the following modifications to MOU Paragraph 51:

Following the filing of the Plan, ~~the VSPC shall,~~ for each identified reliability deficiency or group of deficiencies categorized under Paragraph 6(a)(ii):

- a. The VSPC shall ~~d~~Develop a project-specific action plan that describes a non-generic critical path from identification to resolution, including, but not limited to, dates for key milestones and coordination with anticipated regulatory and stakeholder processes;
- b. The VSPC shall, ~~s~~Subject to the rights and obligations of the DUs and all other parties to this MOU, select areas for focused NTA consideration and draft specific plans for moving that development forward; and
- c. The affected VSPC subgroups, VELCO and the DUs, as applicable, will ~~R~~report progress in relation to the project action plan to the full VSPC quarterly and to the Board and the Department not less than annually. Where milestones have been modified, progress reports shall state in reasonable detail the reason for such modification.

Closing This Docket

Our January 30, 2012, Order also provided parties with an opportunity to comment on the Board's proposal to close this Docket after the required compliance filings are submitted and acted upon by the Board.

On February 10, 2012, VELCO stated that it supported the Board's proposal to close this Docket after the remaining open matters have been resolved by Board action. No other party filed comments on the Board's proposal to close this docket.

We determine that there is no longer any need to maintain this matter as an open proceeding. Accordingly, this Docket shall be closed as soon as VELCO files a complete copy of

4. VELCO Compliance Filing at 2.

the amended MOU as provided in Order Paragraph 3, below. If any future proposed amendments to the MOU require formal process, we will open a new Docket at that time.

III. CONCLUSION

In this Order we approve the modifications to MOU Paragraphs 28 and 51 shown in Order Paragraphs 1 and 2, below. We also determine that this Docket shall be closed as soon as VELCO files a complete copy of the amended MOU.

IV. ORDER

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

1. Paragraph 28 of the memorandum of understanding ("MOU") in this proceeding shall be modified as follows:

VELCO will release the Draft Transmission Plan for public review; such Draft Transmission Plan shall include all of the components required under 30 V.S.A. §218c(d), components those set forth in paragraph 4 through 6 of this MOU, and identification of the Lead DU assigned to oversee and coordinate the tasks necessary to complete Step 8.

2. Paragraph 51 of the MOU shall be modified as follows:

Following the filing of the Plan, ~~the VSPC shall,~~ for each identified reliability deficiency or group of deficiencies categorized under Paragraph 6(a)(ii):

- a. The VSPC shall dDevelop a project-specific action plan that describes a non-generic critical path from identification to resolution, including, but not limited to, dates for key milestones and coordination with anticipated regulatory and stakeholder processes;
- b. The VSPC shall, sSubject to the rights and obligations of the DUs and all other parties to this MOU, select areas for focused NTA consideration and draft specific plans for moving that development forward; and
- c. The affected VSPC subgroups, VELCO and the DUs, as applicable, will Report progress in relation to the project action plan to the full VSPC quarterly and to the Board and the Department not less than annually. Where milestones have been modified, progress reports shall state in reasonable detail the reason for such modification.

3. Within one month of the issuance of this Order, the Vermont Electric Power Company, Inc. and Vermont Transco LLC (collectively, "VELCO") shall file a complete copy of the amended MOU as approved by the Board, including an electronic version in a format that is searchable and extractable.

4. This Docket shall be closed upon the filing by VELCO of the amended MOU as provided in Paragraph 3, above.

Dated at Montpelier, Vermont, this 1st day of August, 2012.

<u>s/James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

FILED: August 1, 2012

ATTEST: s/Susan M. Hudson
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.