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STAR Group, LLC

Date: September 26, 2006
 To: Members of the Southern Loop Community Working Group
 From: Chris Kenny, Process Manager
 Re: Notes from September 21, 2006 CWG Meeting

<u>Members Present</u>	<u>Members Absent</u>
Rick Foley, Keene State College	Marge Fish, Londonderry Rescue Squad
Eric Stevens, Windham Regional Commission	Lee Krohn, Town of Manchester
Tad Montgomery, Brattleboro Climate Protection	Rachael Pendleton, Efficiency Vermont
Audrey Garfield, Town of Brattleboro	Rick Gauthier, Bennington Police Department
Greg Wordon, Town of Brattleboro	John Haugsrud, Quadra-Tek/Arlington Industries
Jenna Pugliese, Stratton Mountain	Mark Gilmore, Vermont Yankee
John Cueman, Bromley Mountain	Kevin Dailey, Mack Molding
Kevin Duby, Brattleboro Retreat Healthcare	Debbie Boyle, Brattleboro Development Corporation
Brian Keefe, Office of Senator Jim Jeffords	Hervey Scudder, Northeast Center for Social Issues Studies
Kim Jones, CVPS	Alan Dann, Progressive Party
Rip Kirby, CVPS	Ellen Viereck, Forest Watch
Dean LaForest, VELCO	Paul Carroccio, Sr., TPW Management
	Bill Calfee, Consultant
	Lissa Stark, Bennington Regional Commission
	<u>Guests Present</u>
	John Donleavy, VELCO
	Bob Young, CVPS
	Ralph Roam, VELCO
	Bruce Bentley, CVPS
	Greg White, CVPS
	Joe Kraus, CVPS
	Steve Costello, CVPS
	David Lamont, DPS

The final monthly meeting of the Southern Loop Community Working Group (“CWG”) was held at the Brattleboro Quality Inn & Suites on Thursday, September 21, 2006 from 4 – 6:00 p.m. Chris Kenny of STAR Group explained that the focus of today’s meeting was to review the public comments received from the Informational Open House meetings held on September 12 – 14, 2006 and to determine the next steps in the process.

The group was asked what they thought had gone well and what they would have liked to have seen done differently at the Informational Open House meetings. The group noted the following in this “Plus/Delta” exercise:

<u>Plus</u>	<u>Delta</u>
CVPS efforts to provide notices of the meetings	Perhaps different information on the potential emissions from each of the recommended alternatives
Layout of the room	I could have rehearsed more
The quality of the individuals from CVPS and VELCO who were on hand to provide information and answer questions	Attendance (particularly in Brattleboro); we might have had more people attend if the meeting had been held in downtown Brattleboro
DPS staff being present at all 3 meetings	Poor lighting in Stratton
The manner in which everyone who participated approached guests and engaged them in the conversations	Perhaps we needed a different approach to cause large utility users to attend

The group then discussed what they had learned from the comments received during and after the Informational Open House meetings and offered the following observations:

<ul style="list-style-type: none"> ▪ Guests understood that “doing nothing” is not an option 	<ul style="list-style-type: none"> ▪ There were strong passions both for and against wind (many asked what impact, if any, the Southern Loop might have on the ability for wind power to be developed in Vermont)
<ul style="list-style-type: none"> ▪ Some were disappointed that the information presented – and the entire process – was not more focused on energy policy and planning 	<ul style="list-style-type: none"> ▪ People wanted to have more information on renewable energy sources; the explanation about Vermont’s “Societal Test” was not satisfactory to most who asked

<ul style="list-style-type: none"> ▪ Though clearly not a statistically valid sample, most of the individuals who spoke to the issue said they would prefer that the A-B line, if built, be built side-by-side with the existing line, rather than combining the 2 lines on higher poles; however, most of the individuals providing this input would not be impacted directly by this configuration 	<ul style="list-style-type: none"> ▪ Unfortunately, we did not receive feedback from large users
<ul style="list-style-type: none"> ▪ Most people were more concerned about their own power reliability issues (outages at their own home or business) and did not necessarily understand some of the larger reliability issues at stake 	<ul style="list-style-type: none"> ▪ We did not learn a tremendous amount about rate impacts or the concerns individuals might have with these possible impacts

Next, the group discussed whether the list of 4 “preliminary preferred” options (Options 7, 4, 2 and 9) should be modified in any way. Several issues were covered during this discussion, including the role of “Pooled Transmission Facilities” and the implications that building line segment “D” might have on the availability of Distributed Resources in the Southern Loop.

The group determined that Distributed Resources – standing alone without any transmission improvements – would not solve the Southern Loop Problem Statement. Accordingly, the group elected to remove Option 9 from further consideration. Significantly, however, the group noted that DR needs to play an important, but not exclusive, role in resolving the Southern Loop Problem Statement.

The group agreed that in presenting Options 7, 4 and 2 for VELCO’s and CVPS’s consideration, their recommendation is that the utilities should not just build the infrastructure necessary to solve the Southern Loop Problem Statement, but should build the infrastructure in a manner that will maximize future opportunities for Distributed Resources in Vermont.

Bob Young and John Donleavy thanked the group for their valuable contributions and dedication. Both stated that they would respect the CWG’s recommendations and pledged to conduct a thorough analysis of Options 7, 4 and 2.

Mr. Donleavy made note of the high level of understanding among CWG members of the complex issues involved and noted that this type of public

involvement process would be the benchmark against which future public involvement processes would be measured.

Mr. Young remarked that both companies heard “very clearly” the group’s desire that Distributed Resources should remain a top priority in utility planning going forward and that all Vermonters should be actively involved in statewide energy policy and planning efforts. He also noted that CVPS and VELCO would complete additional analysis and conduct additional outreach efforts to include those stakeholders potentially affected by the recommended A – B transmission line including other Vermont utilities. Both men pledged to keep the CWG members informed and engaged as the two utilities worked to define the scope of the project that may be filed in the permitting process.

Greg White of CVPS described some of the next steps in the Southern Loop process, including the upcoming filing related to the synchronous condenser at Stratton (expected to be made next month), the need for additional outreach to be conducted relative to the “B” line segment (from the West Dummerston substation to the Coolidge substation), and the analysis that VELCO and CVPS would undertake prior to making a 248 filing for any other transmission-related components.

The group was then asked whether and how they wanted to be kept informed of progress on the Southern Loop. Members requested that they be kept informed via email and that they be apprised of any upcoming public meetings relative to the Southern Loop and encouraged the companies to draw on the CWG members during the next phases of the process.

The companies agreed to maintain the Southern Loop web site and to select a primary contact person with whom members of the CWG could communicate. Members were encouraged to continue their dialogue with the utilities and to provide information that might help the utilities during the analysis phase. In addition, the companies pledged to reconvene the CWG immediately prior to making the 248 or other permitting filings in order to brief the CWG members on the final selection.

Finally, members were asked to provide input to STAR Group on the overall public involvement process to date. The group noted the following:

<u>Plus</u>	<u>Delta</u>
CWG members stayed with it throughout these several months	It would have been very helpful to have experts in wind, biomass and co-generation to come and address the CWG directly
Good explanations of technical information from CVPS and VELCO staff	Everyone should have been provided a copy of “Small is Profitable”
Meeting facilitation was helpful	It would have been helpful to describe the regulatory rules under which the utilities operate and under which options would be scrutinized (e.g., the “Societal Test”) a little earlier in the process so that the group would have a better understanding of what CVPS and VELCO have to go through in solving these types of problems
The information that was exchanged among CWG members between meetings	
DPS attendance at CWG meetings	

The group adjourned at approximately 6:20 p.m.