

SCHEDULE 21-CV
LOCAL SERVICE SCHEDULE

In accordance with paragraphs 126-130 of Commission Order No. 676-E, the NAESB Version 002.1 Standards listed below apply to the provision of transmission service pursuant to this Schedule 21-CV for service provided hereunder by Central Vermont Public Service Corporation:

Gas/Electric Coordination (WEQ-011, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009), Standards 011-1.2 and 011-1.3

I. COMMON SERVICE PROVISIONS

This Local Service Schedule, designated as Schedule 21-CV, governs the terms and conditions of service taken by Transmission Customers over Central Vermont Public Service Corporation's Transmission System. In the event of any conflict between the terms of this Schedule 21-CV and the other provisions of the Tariff, the provisions of this Schedule 21-CV shall control.

1. DEFINITIONS

The following definitions apply to capitalized terms in this Schedule 21-CV.

1.1 Affiliate:

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.2 Annual Transmission Revenue Requirement:

The total annual cost of Central Vermont's Transmission System shall be the amount specified in Attachment D until amended by Central Vermont or modified by the Commission.

1.3 Central Vermont:

Central Vermont Public Service Corporation.

1.4 Central Vermont's Annual Transmission System Peak:

The maximum firm usage of Central Vermont's Transmission System in any hour during the twelve months ending with the billing month as determined pursuant to Section 13.2 of this Schedule 21-CV.

1.5 Central Vermont's Transmission System:

The Non-PTF owned, controlled or operated by Central Vermont (other than Central Vermont's share of transmission capacity from Hydro-Quebec under the Block Loading Transmission Facilities Agreement dated February 15, 1989) that are used to provide transmission service under this Schedule 21-CV.

1.6 Highgate Converter:

The 225 MW AC/DC Converter at Highgate, Vermont, which connects the Vermont and Quebec grids, and associated AC facilities.

1.7 Load Ratio Share:

The ratio of a Local Network Customer's Network Load to Central Vermont's Annual Transmission System Peak as computed pursuant to Sections 13.1 and 13.2 of this Schedule 21-CV.

1.8 Local Network Operating Agreement:

An executed agreement that contains the terms and conditions under which the Local Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Local Network Service under Schedule 21 and this Schedule 21-CV.

1.9 Local Network Operating Committee:

A group made up of representatives from the Local Network Customer(s) and Central Vermont established to coordinate operating criteria and other technical considerations required for implementation of Local Network Service under Schedule 21 and this Schedule 21-CV.

1.10 NPCC:

The Northeast Power Coordinating Council.

1.11 Parties:

Central Vermont and the Transmission Customer receiving Local Service under this Schedule 21-CV.

1.12 System Condition:

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority to Section 1.7.f of Schedule 21. Such conditions must be identified in the Transmission Customer's Service Agreement.

2. INITIAL ALLOCATION AND RENEWAL PROCEDURES

2.1 Reservation Priority For Existing Firm Service Customers:

See Scheduled 21 Part I § 1.b.

3. ANCILLARY SERVICES

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. Central Vermont is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer taking Local Service from Central Vermont is required to purchase, the following Ancillary Services: (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

3.1 Scheduling, System Control and Dispatch Service:

The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:

The rates and/or methodology are described in Schedule 2.

4. BILLING AND PAYMENT

4.1 Billing Procedure:

Within a reasonable time after the first day of each month, Central Vermont shall submit an invoice to the Transmission Customer for the charges for all services furnished under this Schedule 21-CV during the preceding month. The invoice shall be paid by the Transmission Customer within twenty-five (25) days from the date of mailing of the invoice. All payments shall be made in immediately available funds payable to Central Vermont, or by wire transfer to a bank named by Central Vermont.

4.2 Interest on Unpaid Balances:

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by Central Vermont.

4.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to Central Vermont on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after Central Vermont notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, Central Vermont may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between Central Vermont and the Transmission Customer, Central Vermont will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then Central Vermont may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

5. ACCOUNTING FOR CENTRAL VERMONT'S USE OF THE TARIFF

Central Vermont shall record the following amounts, as outlined below.

5.1 Transmission Revenues:

Include in a separate operating revenue account or subaccount the revenues it receives from Local Point-To-Point Service when making Third-Party Sales.

5.2 Study Costs and Revenues:

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies that Central Vermont conducts to determine if it must construct Local Network Upgrades necessary for its own uses, including making Third-Party Sales; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under this Schedule 21-CV.

6. REGULATORY FILINGS

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the

right of Central Vermont to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Schedule 21-CV, pursuant to Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under Schedule 21-CV to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

7. CREDITWORTHINESS

The creditworthiness procedures are specified in Attachment L of Schedule 21-CV.

II. LOCAL POINT-TO-POINT SERVICE

PREAMBLE

Central Vermont will provide Firm and Non-Firm Local Point-To-Point Service over Central Vermont's Transmission System pursuant to the applicable terms and conditions of this Schedule 21 and this Schedule 21-CV. Local Point-To-Point Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transmission of such capacity and energy to designated Point(s) of Delivery.

8. TERMS AND CONDITIONS APPLICABLE TO ALL LOCAL POINT-TO-POINT SERVICE

8.1 Determination of Available Transfer Capability:

A description of Central Vermont's specific methodology for assessing available transfer capability posted on Central Vermont's OASIS (Section 4) is contained in Attachment A to this Schedule 21-CV.

8.2 Real Power Losses:

Real power losses are associated with all transmission service. Central Vermont is not obligated to provide real power losses. The Transmission Customer is responsible for replacing losses associated with all Local Point-To-Point Service as calculated by Central Vermont. The applicable Real Power Loss factors are as follows:

Service over Central Vermont's Transmission System: 3.0 percent

Service over Central Vermont's Combined Transmission System and Distribution Facilities: 6.0 percent.

8.3 Charges for Unauthorized Use:

Consistent with Schedule 21, Sections I.1.g and I.2.e, in the event that a Transmission Customer (including Third Party Sales by Central Vermont) exceeds its firm Reserved Capacity at any Point of Receipt or Point of Delivery, the Transmission Customer shall pay, in addition to the otherwise applicable charges, a charge for the unauthorized use equal to twice the applicable rate for the particular service and will be assessed a penalty charge as follows: (1) For unauthorized use within a single day, the penalty charge shall be based on the daily rate. (2) For unauthorized use in two or more days in a calendar week, the penalty charge shall be based on the weekly rate. (3) For multiple instances of unauthorized use in more than one calendar week in a calendar month, the penalty charge shall be based on the monthly rate.

8.4 Stranded Cost Recovery:

Central Vermont may seek to recover stranded costs from the Transmission Customer pursuant to this Schedule in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, Central Vermont must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

9. TERMS AND CONDITIONS APPLICABLE TO FIRM LOCAL POINT-TO-POINT SERVICE

9.1 Response to a Completed Application:

Following receipt of a Completed Application for Firm Local Point-To-Point Service, Central Vermont shall make a determination of available transfer capability pursuant to Attachment A of this Schedule 21-CV.

9.2 Procedures for Conducting System Impact Study:

After receiving a request for service, Central Vermont shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of Central Vermont's methodology for conducting a System Impact Study is provided in Attachment B to this Schedule 21-CV. A description of Central Vermont's methodology for conducting a System Impact Study on a clustered basis is provided in Attachment B-1.

9.3 Charge for Failure to Curtail Firm Local Point-To-Point Service:

Consistent with Schedule 21, Section I.1.f, in the event a Transmission Customer fails to implement a Curtailment within ten minutes as required by Central Vermont, the Transmission Customer shall pay, in addition to any other charges for service, a charge equal to two times the amount of transmission service which the Transmission Customer fails to curtail multiplied by the applicable charge for Firm Local Point-To-Point Service for the lesser of the term of the transaction or one month.

10. TERMS AND CONDITIONS APPLICABLE TO NON-FIRM LOCAL POINT-TO-POINT SERVICE

10.1 Reservation of Non-Firm Local Point-To-Point Service:

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence; requests for daily service shall be submitted no earlier than two (2) business days before service is to commence; and requests for hourly service shall be submitted no earlier than noon the last business day before service is to commence. Requests for service received later than 2:00 p.m. of the last business day before service is scheduled to commence will be accommodated if practicable.

10.2 Determination of Available Transfer Capability:

Following receipt of a tendered schedule Central Vermont will make a determination on a non-discriminatory basis of available transfer capability pursuant to the procedures set out in Attachment A.

10.3 Charges for Failure to Curtail or Interrupt Service:

Consistent with Schedule 21, Section I.2.g, in the event a Transmission Customer fails to implement a Curtailment within ten minutes or an Interruption within twenty minutes as required by Central Vermont, the Transmission Customer shall pay, in addition to any other charges for service, a charge equal to two times the amount of transmission service which the Transmission Customer fails to curtail or interrupt multiplied by the applicable charge for Firm Local Point-to-Point Service for the lesser of the term of the transaction or one month.

11. COMPENSATION FOR TRANSMISSION SERVICE

Rates for Firm and Non-Firm Local Point-To-Point Service are provided in the Schedules appended to this Schedule 21-CV: Firm Local Point-To-Point Service (Schedule 3); Non-Firm Local Point-To-Point Service (Schedule 4). Central Vermont shall use the Point-To-Point Service provisions of Schedule 21 and this Schedule 21-CV to make its Third-Party Sales over Central Vermont's Transmission System. Central Vermont shall account for such use at the applicable Schedule rates.

III. LOCAL NETWORK SERVICE

PREAMBLE

Central Vermont will provide Local Network Service over Central Vermont's Transmission System pursuant to the applicable terms and conditions contained in the Tariff, Schedule 21, this Schedule 21-CV and the Service Agreement.

11. TERMS AND CONDITIONS APPLICABLE TO LOCAL NETWORK SERVICE

11.1 System Impact Study Procedures:

After receiving a request for service, Central Vermont shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of Central Vermont's methodology for conducting a System Impact Study of the impact of a request for Local Network Service on Central Vermont's Transmission System is contained in Attachment B to this Schedule 21-CV.

11.2 Real Power Losses:

Real power losses are associated with all transmission service. Central Vermont is not obligated to provide real power losses. The Local Network Customer is responsible for replacing losses associated with all transmission service as calculated by Central Vermont. The applicable real power loss factors are as follows:

Service over Central Vermont's Transmission System: 3.0 percent

Service over Central Vermont's Transmission System and Distribution Facilities: 6.0 percent.

12. LOAD SHEDDING AND CURTAILMENTS

12.1 Procedures:

Prior to the Service Commencement Date, Central Vermont and the Local Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Local Network Operating Agreement with the objective of responding to contingencies on Central Vermont's Transmission System. The Parties will implement such programs during any period when Central Vermont or another transmission owner determines that a system contingency exists and such procedures are necessary to alleviate such contingency. Central Vermont will notify customers of necessary procedures on the Central Vermont system.

12.2 Transmission Constraints:

During any period when Central Vermont determines that a transmission constraint exists on Central Vermont's Transmission System, and such constraint may impair the reliability of Central Vermont's system, Central Vermont will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of Central Vermont's system. To the extent Central Vermont determines that the reliability of Central Vermont's Transmission System can be maintained by redispatching resources, Central Vermont will initiate procedures pursuant to the Local Network Operating Agreement to redispatch all Network Resources and Central Vermont's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between Central Vermont's use of Central Vermont's Transmission System on behalf of its Local Native Load Customers and any Local Network Customer's use of Central Vermont's Transmission System to serve its designated Local Network Load.

12.3 Cost Responsibility for Relieving Transmission Constraints:

Whenever Central Vermont implements least-cost redispatch procedures in response to a transmission constraint, Central Vermont and Local Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

12.4 Curtailments of Scheduled Deliveries:

If a transmission constraint on Central Vermont's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and Central Vermont determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Local Network Operating Agreement.

12.5 Allocation of Curtailments:

Central Vermont shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by Central Vermont and Local Network Customers in proportion to their respective Load Ratio Shares. Central Vermont shall not direct the Local Network Customer to Curtail schedules to an extent greater than Central Vermont would Curtail Central Vermont's schedules under similar circumstances.

12.6 Load Shedding:

To the extent that a system contingency exists on Central Vermont's Transmission System and Central Vermont determines that it is necessary for Central Vermont and the Local Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Local Network Operating Agreement.

12.7 System Reliability:

Notwithstanding any other provisions of this Schedule, Central Vermont reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Local Network Service without liability on Central Vermont's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Local Network Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on Central Vermont's Transmission System, Central Vermont, consistent with Good Utility Practice, also may Curtail Local Network Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. Central Vermont will give the Local Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Local Network Service will be not unduly discriminatory relative to Central Vermont's use of Central Vermont's Transmission System on behalf of its Native Load Customers. In the event that the Local Network Customer fails to respond to established Load Shedding and Curtailment procedures within ten minutes, as required by Central Vermont, the Local Network Customer shall pay, in addition to any other charges for service, a charge equal to two times the amount of transmission service which the Local Network Customer fails to curtail multiplied by the monthly charge for Firm Local Point-to-Point Service.

13. CHARGES FOR LOCAL NETWORK SERVICE

13.1 Determination of Local Network Customer's Network Load:

The Local Network Customer's Network Load is its hourly load (including its designated Network Load served over Central Vermont's Transmission System that is not physically interconnected with Central Vermont's Transmission System) that is coincident with Central Vermont's Annual Transmission System Peak, as determined in Section 13.2.

13.2 Determination of Central Vermont's Annual Transmission System Peak:

Central Vermont's Annual Transmission System Peak is the highest firm usage for the twelve months ending with the billing month. It is computed each month by subtracting from the highest hourly load on Central Vermont's Transmission System in the month the coincident peak loads of all Firm and Non-Firm Local Point-To-Point Service customers pursuant to this Schedule 21-CV and adding the Reserved Capacity of all Long-Term Firm Point-To-Point Service customers taking service pursuant to this Schedule 21-CV at a fully-allocated embedded cost basis, measured at the time of each such peak.

13.3 Monthly Demand Charge:

The Local Network Customer shall pay each month one twelfth of the Load Ratio Share of Central Vermont's Annual Transmission Revenue Requirement, as determined pursuant to Attachment D-1. The Local Network Customer also shall pay a monthly charge for Distribution Facilities used to obtain service equal to one twelfth of the Annual Distribution Facilities Cost as determined pursuant to the formulas set out in Attachment D-2; a monthly charge for metering facilities equal to the monthly Delivery Point cost as determined pursuant to the formulas set out in Attachment D-3 multiplied by the number of Points of Delivery at which the Customer takes service under this Tariff; and a charge for Regulatory Commission Expense as determined pursuant to the formulas set out in Attachment D-4.

13.4 Stranded Cost Recovery:

Central Vermont may seek to recover stranded costs from the Local Network Customer pursuant to this Schedule in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, Central Vermont must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

14. OPERATING ARRANGEMENTS

14.1 Operation under The Local Network Operating Agreement:

The Local Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Local Network Operating Agreement.

14.2 Local Network Operating Agreement:

The terms and conditions under which the Local Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part II of Schedule 21 and this Schedule 21-CV of the Tariff shall be specified in the Local Network Operating Agreement. The Local Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Local Network Customer within Central Vermont's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between Central Vermont and the Local Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside Central Vermont's Transmission System, interchange schedules, unit outputs for redispatch, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of the Tariff, including scheduling protocols. The Local Network Operating Agreement will recognize that the Local Network Customer shall either (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization as defined in 18 C.F.R. § 39.1 and NPCC (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with Central Vermont for Scheduling, System Control and Dispatch Service and with ISO for all other Ancillary Services, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies Electric Reliability Organization and NPCC requirements. Central Vermont shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. A form of Local Network Operating Agreement is included in Attachment C.

14.3 Local Network Operating Committee:

A Local Network Operating Committee (Committee) shall be established to coordinate operating

criteria for the Parties' respective responsibilities under the Local Network Operating Agreement. Each Local Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided indirectly by Central Vermont making arrangements with ISO to operator perform this service for Central Vermont's Transmission System. The Transmission Customer must purchase this service from Central Vermont. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent ISO performs this service for Central Vermont, charges to the Transmission Customer are to reflect a pass-through of the costs charged to Central Vermont by that ISO.

The charge for Scheduling, System Control and Dispatch Service is \$0.0001112/kWh plus the cost Central Vermont incurs as a result of obtaining the service from ISO on behalf of the Transmission Customer.

SCHEDULE 2
Reactive Supply and Voltage Control from
Generation or Other Sources Service

In order to maintain transmission voltages on Central Vermont's transmission facilities within acceptable limits, generation facilities under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on Central Vermont's Transmission System. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by Central Vermont.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided by ISO. The Transmission Customer must purchase this service from ISO. To the extent a Transmission Customer is a Customer under this Schedule 21-CV but does not take Reactive Supply and Voltage Control from Generation or Other Sources Service directly from ISO, and Central Vermont obtains this service on behalf of a Transmission Customer, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to Central Vermont by ISO.

SCHEDULE 3

Long-Term Firm and Short-Term Firm Local Point-To-Point Service

The Transmission Customer shall compensate Central Vermont each month for Reserved Capacity at the sum of the applicable charges set forth below:

A. Embedded Cost Charge:

1) **Yearly delivery:** Yearly Delivery Charge as set forth in Section 6 below, divided by 12, applied monthly.

2) **Monthly delivery:** Yearly Delivery Charge divided by 12.

3) **Weekly delivery:** Yearly Delivery Charge divided by 52.

4) **Daily delivery:** The charge for daily delivery on Monday through Friday shall be derived by dividing the Yearly Delivery Charge by 260; the charge for daily delivery on Saturday and Sunday shall be derived by dividing the Yearly Delivery Charge by 365.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by Central Vermont must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Central Vermont must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

6) **Yearly Delivery Charge:**

Annual Transmission Revenue Requirement, as determined pursuant to the formulas set out in Attachment D-1

Divided by Central Vermont's Annual Transmission System Peak for the calendar year, as determined pursuant to Section 16.2

Equals Yearly Delivery Charge for Firm Point-to-Point Transmission Service.

Charges shall be revised each June 1 to reflect the costs and loads recorded in Central Vermont's most recently-filed FERC Form No. 1. Billing determinants are the Transmission Customer's Reserved Capacity.

7) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Part I.11 of Schedule 21.

B. Distribution Facilities Charge: The Transmission Customer shall pay each month, in addition to any other charges, one-twelfth of the annual charges for any Distribution Facilities and meters which provide service to the Transmission Customer based on application of the formulas set out in Attachments D-2 (expressed on a per-kW basis) and D-3.

SCHEDULE 4
Non-Firm Local Point-To-Point Service

The Transmission Customer shall compensate Central Vermont for Non-Firm Local Point-To-Point Service up to the sum of the applicable charges set forth below:

A. Embedded Cost Charge:

- 1) **Monthly delivery:** Monthly Delivery Charge as set forth in Schedule 3, Section A.2.
- 2) **Weekly delivery:** Yearly Delivery Charge as set out in Schedule 3, Section A.6, divided by 52.
- 3) **Daily delivery:** The maximum charge for daily delivery on Monday through Friday shall be derived by dividing the Yearly Delivery Charge as set out in Schedule 3, Section A.6 by 260 and the maximum charge for daily delivery on Saturday and Sunday shall be derived by dividing the Yearly Delivery Charge by 365.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 4) **Hourly delivery:** The charge for hourly service during On-Peak hours shall be derived by dividing the Yearly Delivery Charge as set out in Schedule 3, Section A.6 by 4,160, and the charge for hourly service during Off-Peak hours shall be derived by dividing the Yearly Delivery Charge by 8,760.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

- 5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows:
(1) any offer of a discount made by Central Vermont must be announced to all Eligible Customers solely

by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Central Vermont must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

6) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Part I.11 of Schedule 21.

B. Distribution Facilities Charge: The Customer shall pay each month, in addition to any other charges, one-twelfth of the annual charges for any Distribution Facilities and meters which provide service to the Customer based on application of the formulas set out in Attachments D-2 (expressed on a per-kW basis) and D-3.

ATTACHMENT A
AVAILABLE TRANSFER CAPABILITY METHODOLOGY

Introduction and Background:

ISO is the regional transmission organization (RTO) for the New England Control Area. The New England Control Area includes the transmission system located in the states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. The New England Control Area is comprised of PTF, non-PTF, OTF, MTF, and is interconnected to three neighboring Balancing Authority Areas (“BAA”) with various interface types.

As part of its RTO responsibilities, the ISO is registered with the North American Electric Reliability Corporation (“NERC”) as several functional model entities that have responsibilities related to the calculation of ATC as defined in the following NERC Standards: MOD-001 – Available Transmission System Capability (“MOD-001”), MOD-004 – Capacity Benefit Margin (“MOD-004”), and MOD-008 – Transmission Reliability Margin Calculation Methodology (“MOD-008”). The extent of those responsibilities is based on various Commission approved transmission operating agreements and the provisions of the ISO New England Operating Documents.

Pursuant to CFR § 37.6(b) of the FERC Regulations Transmission Provider’s are obligated to calculate and post TTC and ATC for each Posted Path. §37.6(b) Posting transfer capability. The available transfer capability on the Transmission Provider’s system (ATC) and the total transfer capability (TTC) of that system shall be calculated and posted for each Posted Path as set out in this section.

Posted Path is defined as any control area to control area interconnection; any path for which service is denied, curtailed or interrupted for more than 24 hours in the past 12 months; and any path for which a customer requests to have ATC or TTC posted. For this last category, the posting must continue for 180 days and thereafter until 180 days have elapsed from the most recent request for service over the requested path. For purposes of this definition, an hour includes any part of any hour during which service was denied, curtailed or interrupted.

CVPS does not currently have a Posted Path based on the above definition. However to extent that CVPS does in the future have a Posted Path CVPS will calculate TTC using NERC Standard MOD-029-1 Rated

System Path Methodology as outlined below.

Reference is made to CVPS's website for basic information on ATC & TTC found at:

www.oatioasis.com/CVPS/CVPSdocs/Draft_21-CV_ATCID.doc

Capacity Benefit Market (CBM):

CBM is defined as the amount of firm transmission transfer capability set aside by a TSP for use by the Load Serving Entities. The ISO does not set aside any CBM for use by the Load Serving Entities, because of the New England approach to capacity planning requirements in the ISO New England Operating Documents. Load Serving Entities operating within the New England Control Area are required to arrange for their Capacity Requirements prior to the beginning of any given month in accordance with ISO Tariff, Section III.13.7.3.1 (Calculation of Capacity Requirement and Capacity Load Obligation). Load Serving Entities do not utilize CBM to ensure that their capacity needs are met; therefore, CBM is not applicable within the New England market design. Accordingly, for purposes of CV's ATC calculation and because CBM for the New England Control Area is set to zero (0), CV utilizes a zero (0) CBM value. As long as this market design is in place in New England, the CV's CBM is set to zero (0). CVPS provides local transmission service over its non-PTF facilities that are connected only to VELCO and NGrid systems and they do not interconnect with other systems. Therefore, CVPS does not reserve CBM for these paths, and the CBM is presently set to zero.

Existing Transmission Commitments, Firm (ETC_F):

The ETC_F are those confirmed Firm transmission reservation (PTP_F) plus any rollover rights for Firm transmission reservations (ROR_F) that have been exercised. There are no allowances necessary for Native Load forecast commitments (NL_F), Network Integration Transmission Service (NITS_F), grandfathered Transmission Service (GF_F) and other service(s), contract(s) or agreement(s) (OS_F) to be considered in the ETC_F calculation.

Existing Transmission Commitments, Non-Firm(ETC_{NF}):

The (ETC_{NF}) are those confirmed Non-Firm transmission reservations (PTP_{NF}) There are no allowances necessary for Non-Firm Network Integration Transmission Service (NITS_{NF}), Non-Firm grandfathered Transmission Service (GF_{NF}) or other service(s), contract(s) or agreement(s) (OS_{NF}).

Transmission Reliability Margin (TRM):

The Transmission Reliability Margin (TRM) is the portion of the TTC that cannot be used for the reservation of firm transmission service because of uncertainties in system operation conditions and the need for operating flexibility to ensure reliable system operation as system conditions change. It is used only for external interfaces under the New England market design. Since CVPS provides transmission service over its non-PTF facilities that are connected only to the internal New England system, CVPS does not reserve TRM for these paths, and the TRM is presently set to zero.

Calculation of ATC for CVPS's Local Facilities - General Description:

CVPS uses a contract path method to calculate Available Transfer Capability (ATC). ATC for transactions relating to CVPS's Transmission System will be determined for a point-to-point path in the direction of transfer and will be equal to the lower of (i) the Firm Point-To-Point ATC associated with the contractual limitations to the contract path due to Transmission Interface Allocation Agreements applicable to CVPS's Non-Pool Transmission Facilities, or (ii) the Firm Point-To-Point ATC associated with the physical limitations related to the actual flow of power over CVPS's Non-Pool Transmission Facilities that results from a transaction.

Firm ATC for an interface is the capability for firm transmission reservations that remain after allowing for existing firm commitments (Firm ATC = TTC – Existing Firm Commitments).

Non-Firm ATC for an interface is the capability for non-firm transmission reservations that remains after allowing for all existing commitments (Non-Firm ATC = TTC-All existing Firm and Non-Firm Commitments).

NERC Standards MOD-001-1 – Available Transmission System Capability and MOD-029-1 – Rated System Path Methodology define the required items to be identified when describing a transmission provider's ATC methodology.

As a practical matter, the ratings of the radial transmission paths are always higher than the transmission requirements of the Transmission Customers connected to that path. As such, transmission services over these posted paths are considered to be always available.

Common practice is not to calculate or post firm and non-firm ATC values for the non-PTF assets described above, as ATC is positive and listed as 9999. Transmission customers are not restricted from

reserving firm or non-firm transmission service on non-PTF facilities.

As Real-Time approaches, the ISO utilizes the Real-Time energy market rules to determine which of the submitted energy transactions will be scheduled in the coming hour. Basically, the ATC of the non-PTF assets in the New England market is almost always positive. The ATC is equal to the amount of net energy transactions that the ISO will schedule on an interface for the designated hour. With this simplified version of ATC, there is no detailed algorithm to be described or posted other than: ATC equals TTC. Thus, for those non-PTF facilities that serve as a path for the CVPS Schedule 21-CV Point-to-Point Transmission Customers, CVPS has posted the ATC as 9999, consistent with industry practice. ATC on these paths varies depending on the time of day. However, it is posted with an ATC of 9999 to reflect the fact that there are no restrictions on these paths for commercial transactions.

Calculation of ATC_F in the Planning Horizon (PH):

For purposes of this Attachment A PH is any period before the Operating Horizon. Consistent with the NERC definition, ATC_F is the capability for Firm transmission reservations that remain after allowing for TRM, CBM, ETC_F , $Postbacks_F$ and $counterflows_F$.

As discussed above, TRM and CBM are zero. Firm Transmission Service over Schedule 21-CV that is available in the Planning Horizon (PH) includes: Yearly, Monthly, Weekly, and Daily. $Postbacks_F$ and $counterflows_F$ of Schedule 21-CV transmission reservations are not considered in the ATC calculation. Therefore, ATC_F in the PH is equal to the TTC minus ETC_F

Calculation of ATC_F in the Schedule 21-CV Operating Horizon (OH):

For purposes of this Attachment A OH is noon eastern prevailing time each day. At that time, the OH spans from noon through midnight of the next day for a total of 36 hours. As that time progresses the total hours remaining in the OH decreases until noon the following day when the OH is once again reset to 36 hours.

Consistent with the NERC definition, ATC_F is the capability for Firm transmission reservations that remain after allowing for ETC_F , CBM, TRM, $Postbacks_F$ and $counterflows_F$.

As discussed above, TRM and CBM is zero. Daily Firm Transmission Service over Schedule 21-CV is the only firm service offered in the Operating Horizon (OH). $Postbacks_F$ and $counterflows_F$ of Schedule

21-CV transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the OH is equal to the TTC minus ETC_F .

Because Firm Schedule 21-CV transmission service is not offered in the Scheduling Horizon (SH): ATC_F in the SH is zero.

Calculation of ATC_{NF} in the PH:

ATC_{NF} is the capability for Non-Firm transmission reservations that remain after allowing for ETC_F , ETC_{NF} , scheduled CBM (CBM_S), unreleased TRM (TRM_U), Non-Firm Postbacks ($Postbacks_{NF}$) and Non-Firm counterflows ($counterflows_{NF}$).

As discussed above, the TRM and CBM for Schedule 21-CV are zero. Non-Firm ATC available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_U , $Postbacks_{NF}$ and $counterflows_{NF}$ of Schedule 21-CV transmission reservations are not considered in this calculation. Therefore, ATC_{NF} in the PH is equal to the TTC minus ETC_F and ETC_{NF} .

Calculation of ATC_{NF} in the OH:

ATC_{NF} available in the OH includes: Daily and Hourly.

As discussed above TRM and CBM for Schedule 21-CV are zero. TRM_U , counterflows and ETC_{NF} are not considered in this calculation. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_F , plus postbacks of PTP_F in OH as PTP_{NF} ($Postbacks_{NF}$)

Negative ATC:

As stated above, the ratings of the radial transmission paths are always higher than the transmission requirements of the Transmission Customers connected to that path. As such, transmission services over these posted paths are considered to be always available.

For those non-PTF CV facilities that are primarily radial paths that provide transmission service to directly interconnected generators it is possible, in the future, that a particular radial path may interconnect more nameplate capacity generation than the path's TTC. However, due to the ISO's security constrained dispatch methodology, the ISO will only dispatch an amount of generation interconnected to such path so as not to incur a reliability or stability violation on the subject path. Therefore, ATC in the PH, OH and SH may become zero, but will not become negative.

Posting of ATC Related Information - ATC Values:

As described above, the ATC values for CVPS's non-PTF utilized for internal Point-to-Point transmission service are always positive, and are thus set at 9999. The ATC values for these internal posted paths are posted in accordance with NAESB standards on CVPS's provider page of the ISO-NE OASIS website. Common practice is not to calculate or post firm and non-firm ATC values for the non-PTF assets described above, as ATC is positive and listed as 9999. Transmission customers are not restricted from reserving firm or non-firm transmission service on non-PTF facilities.

Updates To ATC:

When any of the variables in the ATC equations change, the ATC values are recalculated and immediately posted.

Coordination of ATC Calculations:

Schedule 21-CV non-PTF has no external interfaces. Therefore it is not necessary to coordinate the values.

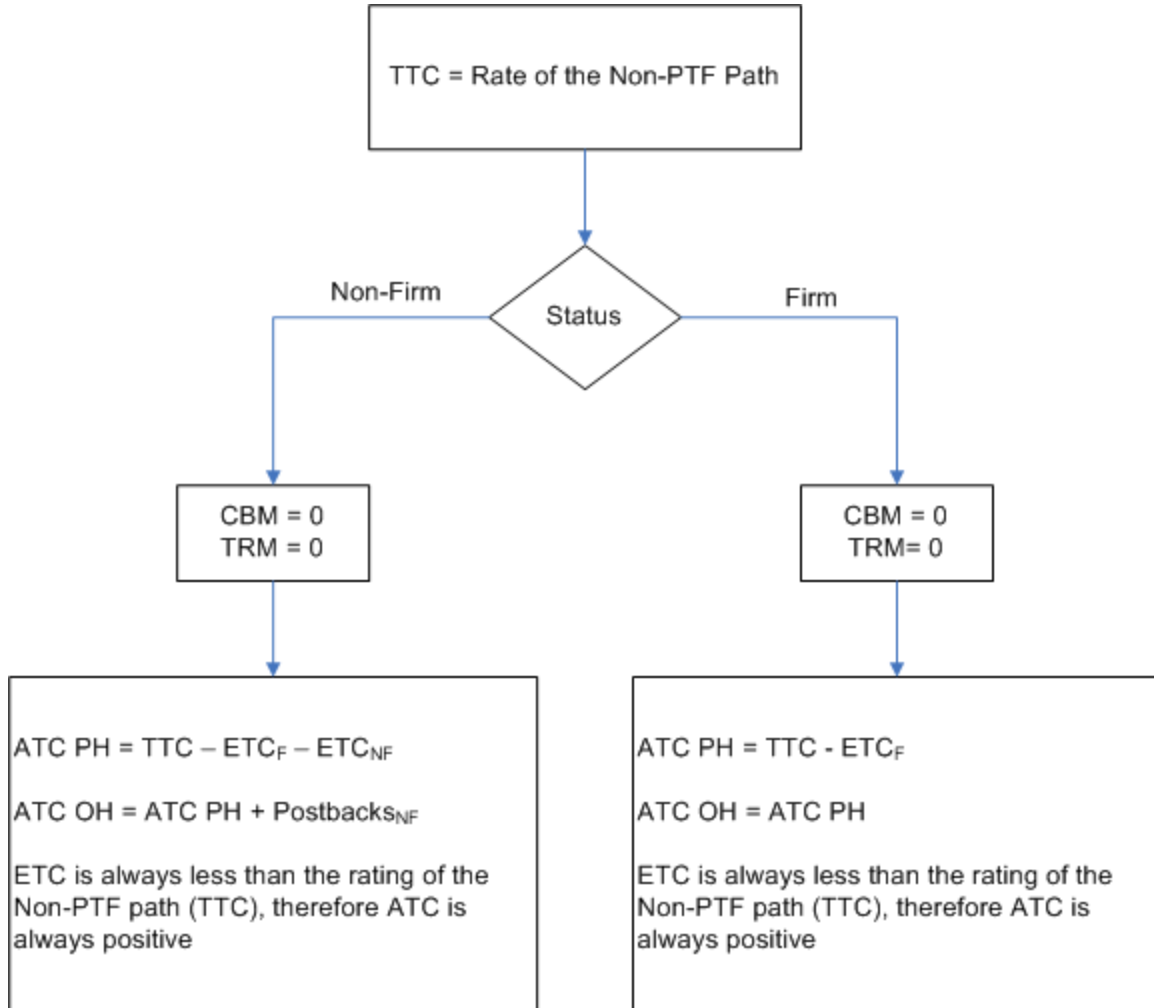
Mathematical Algorithms:

A link to the actual mathematical algorithm for the calculation of ATC for CV's non-PTF internal interfaces is located on CV's website at

www.oatiaoasis.com/CVPS/CVPSdocs/Mathematic_Algorithms_for_ATC.doc

ATC Process Flow Diagram for Non-PTF Interfaces

The process flow diagram illustrates the steps through which ATC is calculated both on an operating and planning horizon.



ATTACHMENT B

Methodology for Completing a System Impact Study

When Central Vermont determines on a non-discriminatory basis that a System Impact Study is needed because its Transmission System may be inadequate to accommodate a request for Firm Local Point-to-Point Service or Local Network Service, Central Vermont will employ the following methodology to estimate the transmission system impact of the application for service and/or any costs for system redispatch, Direct Assignment Facilities or Local Network Upgrades that would be incurred in order to provide the requested transmission service.

1. **System Impact** will be estimated based on consideration of reliability requirements to
 - meet obligations under Central Vermont agreements that predate this Tariff;
 - meet obligations of existing and pending applications for firm transmission service under the Tariff;
 - meet obligations pursuant to previous commitments for service under the Tariff; and
 - maintain thermal, voltage and stability system performance within acceptable regional practices.

2. **Guidelines and Principles followed by Central Vermont** – Central Vermont is a PTO of ISO and a member of the NPCC. When performing the System Impact Study, Central Vermont will apply if applicable, the following as amended and/or adopted from time to time:
 - Good Utility Practice;
 - ISO criteria rules and reliability standards;
 - NPCC criteria and guidelines; and
 - Central Vermont’s criteria and guidelines.

3. **Transmission System Model Representation** - The Transmission System model will be based on a library of load flow cases prepared by ISO for studies of the New England area. The models may include representations of other NPCC and neighboring systems. These load flow cases include individual system model representations provided by ISO Participants and represent forecasted system conditions for up to ten years into the future. This library of load flow cases is maintained and updated as appropriate by ISO, and is consistent with information filed in FERC Form 715. Central Vermont will

use system models that it deems appropriate for study of the Application. Additional system models and operating conditions, including assumptions specific to a particular analysis, may be developed for conditions not available in the library of load flow cases. The system models may be modified, if necessary, to include additional system information on load, transfers and configuration, as it becomes available.

4. System Conditions - Loading of all transmission system elements shall be less than normal ratings for precontingency conditions and less than long-term emergency (LTE) ratings for post-contingency conditions. Post-contingency loading above LTE rating and less than short-term emergency (STE) rating may be allowed where demonstrated that loading can be reduced below the LTE rating within 15 minutes.

Transmission System steady state voltages shall be within the applicable design ratings of connected equipment for normal and emergency conditions. Normal and post-contingency voltages shall be in accordance with Central Vermont's and ISO's standards.

5. Short Circuits - Transmission system short circuit currents shall be within the applicable equipment design ratings.

6. Study Analysis - System impact of the integration of a new Network Resource or new interconnection point will be evaluated to meet the requirements of design, identified in the guidelines and principles under Item 2, to provide sufficient transmission capability to maintain stability and to maintain thermal and voltage levels of lines and equipment within applicable limits. The same applies to the evaluation of Firm Local Point-to-Point Service when it has been determined that insufficient transmission capacity is available and a System Impact Study must be conducted.

7. Loss Evaluation - The impact of losses on Central Vermont's Transmission System will be taken into account in the System Impact Study to ensure Good Utility Practice in the design and operation of its system.

8. System Protection - Protection requirements will be evaluated by Central Vermont in accord with its standard procedures.

9. Approvals – Central Vermont will conduct the System Impact Study to ensure compliance with

its planning and design policies and practices. However, the actions to be taken by the Parties to implement the recommendations of the System Impact Study are subject to approval under the ISO criteria, rules and standards, as amended and/or adopted from time to time.

10. Study Scope and Reporting - The study will determine the impacts and identify changes required, if any, to Central Vermont's existing Transmission System. Central Vermont will provide the Eligible Customer with a written report of the physical interconnection alternative(s), required Central Vermont Transmission System additions and/or modifications, if any, associated study grade cost estimates (+/-25% accuracy) and the results of the analysis.

ATTACHMENT B-1

1.1 Requests for Cluster Studies:

An Eligible Customer may request Central Vermont to consider studying specified requests for Transmission Service in a cluster. The Eligible Customer may make the request with respect to its own request for service and any other request for service prior to the commencement of a Facilities Study for that request.

1.2 Notice of Cluster Study:

(a) Central Vermont will notify the applicable customers if it determines, either in response to an Eligible Customer's request or in its own initiative, that (i) studying specific multiple requests for service in a cluster may result in a more efficient study process or may result in more efficient and economic construction of network upgrades and (ii) it can reasonably accommodate the cluster study, in light of the complexity involved in studying multiple requests for service simultaneously and the time necessary to perform a cluster study. The notification will include a brief explanation of the reasons why Central Vermont has decided to perform a cluster study.

(b) Central Vermont may provide a notice that it will perform a cluster study at any point prior to the commencement of a Facilities Study for the first-queued Eligible Customer whose request for service would be included in the cluster study.

(c) The notice also will state that if an Eligible Customer chooses not to have its request for service studied as part of the cluster, its request for service will be deemed to be withdrawn.

1.3 Cluster Study Procedures:

(a) Central Vermont will follow the provisions of Sections I.7 and II.7 of Schedule 21 and Attachment B to Schedule 21-CV with respect to the performance of the System Impact Study and the Facilities Study except as provided in this Section 1.3.

(b) For clustered studies, the 60-day time periods for completion of the System Impact Study and the Facilities Study will commence on the earlier of the date on which all Eligible Customers in the cluster

have executed the applicable study agreement, or 15 days after Central Vermont tenders the study agreement to the Eligible Customers whose requests for service it proposes to include in the cluster study. If Central Vermont determines that it will not be able to complete the study within 60 days as a result of the complexity of studying multiple requests in a cluster, the study agreement will state when Central Vermont must complete the study. For purposes of Section I.7(i) and II.7(h), performance of a cluster study will be an extenuating circumstance that excuses a failure to complete the study within 60 days.

(c) The Eligible Customers whose requests for service are included in the cluster studies must comply with Section I.7 and II.7, of Schedule 21, as appropriate, or their requests for service will be deemed withdrawn.

1.4 Cost Reimbursement:

(a) Eligible Customers whose requests for service are studied as part of a cluster will pay for the costs of the studies in proportion to the MW of service each customer requests.

(b) If an Eligible Customer whose request for service is being studied as part of a cluster withdraws its request for service after executing a study agreement, the Central Vermont will notify all remaining Eligible Customers of the withdrawal and state whether any study that is in progress or has been completed must be revised as a result of the withdrawal. The withdrawing Eligible Customer will pay a proportionate share of the study costs incurred prior to its notice of withdrawal. The remaining Eligible Customers will be responsible for a proportionate share of costs incurred prior to the notice of withdrawal plus a share of any costs Central Vermont incurs in revising studies as a result of the withdrawal, in proportion to each remaining Eligible Customer's share of the total MW of service requested.

(c) In the event that Central Vermont constructs Network Upgrades to accommodate requests for service that are studied as part of a cluster, the costs of the Network Upgrades will be allocated to each Eligible Customer whose request was studied as part of the cluster, based on each Eligible Customer's share of the total MW of service requested, for purposes of determining the charges that each Customer must pay for service in accord with Commission policy.

ATTACHMENT C
Local Network Operating Agreement

This Local Network Operating Agreement by and between Central Vermont and _____ (“Transmission Customer”) is an implementing agreement for Local Network Service under ISO’s Tariff and is subject to and a part of the Tariff. All definitions, terms and conditions of the Tariff are incorporated herein by reference.

1. General Terms and Conditions

Central Vermont agrees to provide transmission service to the Transmission Customer’s equipment or facilities, subject to the Transmission Customer operating its facilities in accordance with applicable criteria, rules, standards, procedures, or guidelines of Central Vermont, its Affiliates, ISO, NPCC, and VELCO as they may be adopted and/or amended from time to time. In addition to the provisions defined in those documents, service to the Transmission Customer’s equipment or facilities is provided subject to the following specified terms and conditions.

a. Electrical Supply: The electrical supply to the Point(s) of Delivery shall be in the form of three-phase sixty hertz alternating current at a voltage class determined by mutual agreement of the parties.

b. Coordination of Operations: Central Vermont shall consult with the Transmission Customer regarding timing of scheduled maintenance of the Transmission System. In the event of a curtailment of service or the implementation of load shedding procedures, Central Vermont shall use due diligence to resume delivery of electric power as quickly as possible.

2. Reporting Obligations:

a. The Transmission Customer shall be responsible for all information required by NPCC, ISO, VELCO, and by Central Vermont’s dispatching functions. The Transmission Customer shall respond promptly and completely to Central Vermont’s requests for information, including but not limited to, data necessary for operations, maintenance, regulatory requirements and analysis. In particular, that information may include:

i. For Local Network Loads: 10-year annual peak load forecast, load power factor

performance, under frequency load shedding capability, load shedding capability, disturbance/interruption reports; protection system setting conformance; system testing and maintenance conformance; planned changes to protection systems; metering testing and maintenance conformance; planned changes in transformation capability; conformance to harmonic and voltage fluctuation limits; dead station tripping conformance; and, voltage reduction capability conformance.

ii. For Local Network Resources and interconnected generators: 10-year forecast of generation capacity retirements and additions; generator reactive capability verification; generator under frequency relaying conformance; protection system testing and maintenance conformance; planned changes to protection system; and planned changes to generation parameters.

b. The Transmission Customer shall supply accurate and reliable information to the system operators regarding metered values for MW, MVAR, volt, amp, frequency, breaker status indication, and all other information deemed necessary by Central Vermont for safe and reliable operation. Information shall be gathered for electronic communication using one or more of the following: supervisory control and data acquisition (SCADA), remote terminal unit (RTU) equipment, and plus remote access pulse recorders (RAPR). All equipment used for metering, SCADA, RTU, RAPR, and communications must be approved by Central Vermont.

3. Operational Obligations: The Transmission Customer shall request permission from the system operators prior to opening and/or closing circuit breakers per applicable switching and operating procedures. The Transmission Customer shall carry out all switching orders from Central Vermont, VELCO, ISO or Central Vermont's designee in a timely manner.

a. The Transmission Customer shall balance the load at the Point(s) of Delivery such that the differences in the individual phase currents are acceptable to Central Vermont.

b. The Transmission Customer's equipment shall conform with harmonic distortion and voltage fluctuation standards of Central Vermont.

c. The Transmission Customer's equipment must comply with all environmental requirements to the extent they impact the operation of Central Vermont's system.

d. The Transmission Customer shall operate all of its equipment and facilities connected to Central Vermont's system in a safe and efficient manner and in accordance with manufacturers' recommendations, Good Utility Practice, applicable regulations, and requirements of Central Vermont, ISO, NPCC, VELCO, the National Electric Safety Code and the National Electric Code.

e. The Transmission Customer is responsible for supplying voltage regulation equipment on its subtransmission and distribution facilities.

4. Notice of Transmission Service Interruptions: If at any time, in the reasonable exercise of the system operator's judgment, operation of the Transmission Customer's equipment adversely affects the quality of service or interferes with the safe and reliable operation of the system, Central Vermont may discontinue transmission service until the condition has been corrected. Unless the system operators perceive that an emergency exists or the risk of an emergency is imminent, the system operators shall give the Transmission Customer reasonable notice of its intention to discontinue transmission service and, where practical, allow suitable time for the Transmission Customer to remove the interfering condition. Central Vermont's judgment with regard to the discontinuance of service under this paragraph shall be made in accordance with Good Utility Practice. In the case of such discontinuance, Central Vermont shall immediately confer with the Transmission Customer regarding the conditions causing such discontinuance and its recommendation concerning timely correction thereof.

5. Access and Control: Properly accredited representatives of Central Vermont shall at all reasonable times have access to the Transmission Customer's facilities to make reasonable inspections and obtain information required in connection with this Tariff. Such representatives shall make themselves known to the Transmission Customer's personnel, state the object of their visit, and conduct themselves in a manner that will not interfere with the construction or operation of the Transmission Customer's facilities. Central Vermont will have control such that it may open or close the circuit breaker or disconnect and place safety grounds at the Point(s) of Delivery, or at the station, if the Point(s) of Delivery is remote from the station.

6. Point(s) of Delivery or Remote Delivery Point(s): Network Transmission service will be delivered by Central Vermont at the Point(s) of Delivery as specified in the Customer's Service Agreement, and as amended from time to time. Each Point of Delivery shall have a unique identifier, meter location, meter number, metered voltage, terms on meter compensation and, the actual, or if not currently in service, the projected in service year.

7. Maintenance of Equipment:

- a. Unless otherwise agreed, Central Vermont will own all metering equipment.
- b. The Transmission Customer shall maintain all of its equipment and facilities connected to Central Vermont's system in a safe and efficient manner and in accordance with manufacturers' recommendations, Good Utility Practice, applicable regulations, and requirements of Central Vermont, ISO, and NPCC.
- c. Central Vermont may request that the Transmission Customer test, calibrate, verify or validate the data link, metering, data acquisition, transmission, protective, or other equipment or software owned by the Transmission Customer, consistent with the Transmission Customer's routine obligation to maintain its equipment and facilities or for the purposes of trouble shooting problems on the network facilities. The Transmission Customer will be responsible for the cost to test, calibrate, verify or validate the equipment or software.
- d. Central Vermont shall have the right to inspect the tests, calibrations, verifications and validations of the Transmission Customer's data link, metering, data acquisition, transmission, protective, or other equipment or other software connected to Central Vermont's system.
- e. The Transmission Customer, at Central Vermont's request, shall supply Central Vermont with a copy of the installation, test, and calibration records of the data link, metering, data acquisition, transmission, protective or other equipment or software owned by the Transmission Customer and connected to Central Vermont's system.
- f. Central Vermont shall have the right, at the Transmission Customer's expense, to monitor the factory acceptance test, the field acceptance test, and the installation of any metering, data acquisition, transmission, protective or other equipment or software owned by the Transmission Customer and connected to Central Vermont's system.

8. Emergency System Operations:

- a. The Transmission Customer's equipment and facilities, etc. shall be subject to all applicable

emergency operation standards required of and by Central Vermont to operate in an interconnected transmission network.

b. Central Vermont reserves the right to have the system operators take whatever actions or inactions they deem necessary during emergency operating conditions to: (i) preserve the integrity of the Transmission System, (ii) limit or prevent damage, (iii) expedite restoration of service, or (iv) preserve public safety.

9. Cost Responsibility: The Transmission Customer shall be responsible for all costs incurred by Central Vermont relative to the Transmission Customer's facilities. Some costs may be allocated to several Transmission Customers. If the method for allocating costs is not clearly defined, then the method for allocation will be at Central Vermont's discretion.

10. Service For a Network Resource

The following Terms and Conditions apply to service for a generator Network Resource.

a. Voltage or Reactive Control Requirements:

i. Unless directed otherwise, the Transmission Customer will operate its interconnected generation facility(ies) with an automatic voltage regulator(s). The voltage regulator will control voltage at the Point(s) of Receipt consistent with the range of voltage scheduled by Central Vermont, Central Vermont's agent or ISO.

ii. At the discretion of Central Vermont, Central Vermont's agent or ISO, the Transmission Customer may be directed to deactivate the automatic voltage regulator and to supply reactive power per a schedule provided by Central Vermont, Central Vermont's agent, ISO.

iii. If the Transmission Customer has not installed capacity sufficient to operate its generation facility consistent with recommendations of Central Vermont resulting from the System Impact and Facilities Studies or fails to operate at such capacity, Central Vermont may install, at the Transmission Customer's expense, reactive compensation equipment necessary to ensure the proper voltage or reactive supply at the Point(s) of Receipt.

b. Station Service: When the Transmission Customer's generation facility is producing electricity, the Customer must supply its own station service power. If and when the Transmission Customer's

generation facility is not producing electricity, the Customer must obtain station service capacity and energy from the franchise utility providing service.

c. Protection Requirements: Protection requirements are defined in Central Vermont's standard interconnection contract and in ISO, VELCO, and NPCC documents as may be adopted or amended from time to time.

d. Operational Obligations:

i. The ISO Operations Committee may require the generators to be equipped for Automatic Generation Control (AGC). The Transmission Customer will be responsible for all costs associated with installing and maintaining an AGC system on the generators.

ii. Central Vermont retains the right to require reduced generation at times when system conditions present transmission restrictions or otherwise adversely affect Central Vermont's other customers. Central Vermont will use due diligence to resolve the problems to allow the generator to return to the operating level prior to Central Vermont's notice to reduce generation.

iii. All operations (including start-up, shutdown and determination of hourly generation) will be coordinated with ISO or Central Vermont's agent.

e. Coordination of Operations:

i. The Transmission Customer shall furnish Central Vermont with generator annual maintenance schedules and advise Central Vermont if its Network Resource is capable of participation in system restoration and/or if it has black start capability.

ii. Central Vermont reserves the right to specify turbine and/or generator control (e.g., droop) settings as determined by the System Impact or Facilities Study or subsequent studies. The Transmission Customer agrees to comply with such specifications by Central Vermont at the Transmission Customer's expense.

iii. If the generator is not dispatchable by ISO, the Transmission Customer shall notify Central Vermont at least 48 hours in advance of its intent to take its resource temporarily off-line

and its intent to resume generation. In circumstances such as forced outages, the Transmission Customer shall notify Central Vermont as promptly as possible of the Network Resource's temporary interruption of generation and/or transmission.

11. Service for Delivery to Load: The following Terms and Conditions are specific to Service for Delivery to Load:

a. Power Factor Requirement: The Transmission Customer agrees to maintain an overall Load Power Factor and reactive power supply within predefined sub-areas as measured at the Point(s) of Delivery within ranges specified by Central Vermont, VELCO or ISO criteria, rules and standards which identify the power factor levels that must be maintained throughout the applicable sub-area for each anticipated level of total ISO load. The Transmission Customer agrees to maintain Load Power Factor and reactive power requirements within the range specified by Central Vermont, VELCO or ISO as appropriate for the sub-area based on total ISO load during that hour. ISO may revise the power factor limits required from time to time. If the Transmission Customer lacks the capability to maintain the Load Power Factor within the ranges specified, Central Vermont may install, at the Transmission Customer's expense, reactive compensation equipment necessary to ensure proper load power factor at the Point(s) of Delivery.

b. Protection Requirements: The Transmission Customer's relay and protection systems must comply with all applicable Central Vermont, ISO, VELCO, and NPCC criteria, rules, procedures, guidelines, standards or requirements as may be adopted or amended from time to time.

c. Operational Obligations: The Transmission Customer shall be responsible for operating and maintaining security of its electric system in a manner that avoids adverse impact to Central Vermont's or others' interconnected systems and complies with all applicable Central Vermont, ISO, and NPCC operating criteria, rules, procedures, guidelines and interconnection standards as may be amended or adopted from time to time. These actions include, but are not limited to: Voltage Reduction Load Shedding; Under Frequency Load Shedding; Block Load Shedding; Dead Station Tripping; Transferring Load Between Point(s) of Delivery; Implementing Voluntary Load Reductions Including Interruptible Customers; Starting Stand-by Generation; Permitting Central Vermont Controlled Service Restoration Following Supply Delivery Contingencies on Central Vermont Facilities.

12. Failure to perform: If the Transmission Customer fails to carry out its obligations under this

Agreement the matter will be subject to the dispute resolution procedures of Section I.6 of the Tariff. The Parties whose authorizing signatures appear below warrant that they will abide by the foregoing terms and conditions.

Central Vermont Public Service
Corporation

Transmission Customer

By: _____

By: _____

Title:

Title:

Date:

Date:

ATTACHMENT D

Central Vermont's Annual Transmission Revenue Requirement

1. Central Vermont's Annual Transmission Revenue Requirement shall be determined by application of the formulas set out below to Central Vermont's costs and loads.
2. The formulas shall be effective until amended by Central Vermont or modified by the Commission.

ATTACHMENT D-1

Central Vermont's Annual Transmission Revenue Requirement

Central Vermont's Annual Transmission Revenue Requirement shall be determined annually by applying the following formula to Central Vermont's costs as recorded in Central Vermont's FERC Form No. 1. For Firm Local Point-to-Point Service and Non-Firm Local Point-to-Point Service, charges will be revised each June 1 to reflect costs and loads in Central Vermont's most recently filed FERC Form No. 1. For Local Network Service, Central Vermont shall render estimated bills based on Central Vermont's estimated costs for the year. Estimated bills for each calendar year shall be "trued up" to reflect Central Vermont's actual costs based on Central Vermont's FERC Form No. 1 for that calendar year no later than June 1 of the subsequent calendar year. True-ups shall include charges or credits for under-charges or over-charges at interest rates established pursuant to 18 C.F.R. § 35.19a.

Central Vermont will make timely filings of changes in the formula to reflect changes in Commission policy. Account number references are to the Commission's Uniform System of Accounts. Page, line, and column references are to the 1994 FERC Form No. 1. The Annual Transmission Facilities Cost equals the sum of the following:

- (1) Transmission Operations and Maintenance ("O&M") Expense; plus
- (2) Administrative and General ("A&G") Expense; plus
- (3) Transmission by Others Support Charges; plus
- (4) Taxes Excluding Income; plus
- (5) Transmission Depreciation Expense; plus
- (6) General and Intangible ("G&I") Depreciation Expense; plus
- (7) Transmission Return; plus

(8) Transmission Income Taxes; and less

(9) Revenue Credits.

In the said formula for Annual Transmission Facilities Cost:

(1) Transmission O&M Expense is determined as follows:

(a) Subtract the O&M expense in Accounts 560, 562-564 and 566-576 (but excluding Account 575.7) for Highgate Line and Converter Station (“Highgate”) identified on Central Vermont’s books of account as facility code T930 from the O&M expense in Accounts 560, 562-564 and 566-576 (but excluding Account 575.7);

(b) Subtract the average transmission plant in service in Accounts 350-359.1 for Highgate identified on Central Vermont’s books of account as projects 798 and 800 from the average transmission plant in service in Accounts 350-359.1;

(c) Compute the ratio of the amount in clause (a) above to the amount in clause (b) above; and

(d) Apply such ratio to the Transmission plant in service determined in Paragraph (7)(a) below.

(2) Administrative and General (“A&G”) expense is determined as follows:

(a) Sum

(i) A&G expense in Accounts 920-927 and 929-935, less

(ii) EEI and EPRI dues identified on Central Vermont’s books of account by activity number A024200, less

(iii) Post-retirement Benefits Other than Pensions (“PBOP”) expense as recorded in Account 926 for the year, plus

(iv) the fixed PBOP expense provided in Paragraph (11) below, less

- (v) the revenues from advance reservations of transmission capacity which are retained by Central Vermont, and less
 - (vi) revenues from administrative fees collected in connection with the transfer of rights to transmission service;
- (b) Functionally assign the amount in clause (a) above to transmission based on the Transmission Labor Expense Ratio (A) determined in Paragraph (10) below;
- (c) Compute the ratio of (i) the amount in Paragraph (1)(a) above to (ii) the O&M expense in Accounts 560, 562-564 and 566-576 (but excluding Account 575.7);
- (d) Apply the ratio in clause (c) above to the amount in clause (b) above;
- (e) Compute the ratio of (i) the amount in clause (d) above to (ii) the difference obtained by subtracting the average transmission plant in service in Accounts 350-359.1 for Highgate identified on Central Vermont's books of account as projects 798 and 800 from the average transmission plant in service in Accounts 350-359.1; and
- (f) Apply such ratio to the Transmission plant in service determined in Paragraph (7)(a) below.
- (3) The portion of Account 565 Transmission of Electricity by Others attributed to service in the calendar year and related to facilities support payments made to:
- a) Vermont Electric Power Company, Inc. ("VELCO") for specific facilities payments not allocated to other VELCO participants under the 1991 VELCO Transmission Agreement;
 - b) Vermont Electric Power Company, Inc. ("VELCO") for facilities payments not allocated to other VELCO participants under the VELCO Substation Participation Agreement dated December 1, 1981;
 - c) Green Mountain Power Corporation under Schedule 21-GMP; and
 - d) National Grid for use of a transmission line from Ashuelot, New Hampshire to Brattleboro, Vermont under a Facilities Agreement dated August 1, 1967.

- (4) Taxes Excluding Income are determined as follows:
- (a) Sum labor-related taxes in Account 408.1 (Page 263i): (i) FICA, (ii) Federal unemployment, (iii) Vermont unemployment, and (iv) Joint Ownership;
 - (b) Functionally assign the sum in clause (a) above to transmission based on the Transmission Labor Expense Ratio (A) determined in Paragraph (10) below;
 - (c) Sum net plant-related taxes in Account 408.1 (Page 263i): (i) Vermont sales tax (ii) and property taxes in Vermont, Connecticut, New Hampshire, New York, and Maine;
 - (d) Functionally assign the sum in clause (c) above to transmission based on the Net Transmission Plant Ratio (B) determined in Paragraph (10) below;
 - (e) Sum the amounts in clauses (b) and (d) above;
 - (f) Compute the ratio of (i) the amount in clause (e) above to (ii) average transmission plant in service (Accounts 350-359.1); and
 - (g) Apply such ratio to the Transmission plant in service determined in Paragraph (7)(a) below.
- (5) Transmission Depreciation Expense is determined as follows:
- (a) Subtract depreciation expense associated with Highgate identified on Central Vermont's books of account as projects 798 and 800 from transmission depreciation expense (Page 336, Line 7);
 - (b) Subtract the average transmission plant in service in Accounts 350-359.1 for Highgate identified on Central Vermont's books of account as projects 798 and 800 from the average transmission plant in service in Accounts 350-359.1;
 - (c) Compute the ratio of (i) the amount in clause (a) above to (ii) the amount in clause (b) above; and
 - (d) Apply such ratio to the Transmission plant in service determined in Paragraph (7)(a) below.

- (6) General and Intangible (“G&I”) Depreciation Expense is determined as follows:
- (a) Sum (i) general depreciation expense in Account 403 (Page 336, line 9b), (ii) general amortization of limited term electric plant in Account 404 (Page 336, line 9c), (iii) intangible depreciation expense in Account 403 (Page 336, line 1b), and (iv) intangible amortization of limited term electric plant in Account 404 (Page 336, line 1c);
 - (b) Compute the ratio of (i) the amount in clause (a) above to (ii) the sum of the average general plant in service in Accounts 389-399.1 and the average intangible plant in service in Accounts 301-303; and
 - (c) Apply such ratio to the G&I plant in service determined in Paragraph (7)(b) below.
- (7) Transmission Return is equal to Net Transmission Investment x Rate of Return. Rate of Return is determined in accordance with the methodology set forth in Attachment D-5 based on Central Vermont’s per book capitalization at the end of the calendar year. The rate of return on common equity shall be 11.14 percent. Net Transmission Investment is the sum of:

Transmission plant in service, plus
 G & I plant in service, plus
 Materials and Supplies, plus
 Working Capital, less
 Transmission Depreciation Reserve, less
 G & I Depreciation Reserve, and less
 Accumulated Deferred Income Taxes, where:

- (a) Transmission plant in service is the sum of:
 - (i) the average transmission plant in service in Accounts 350-359.1, less
 - (ii) the average transmission plant in service in Accounts 350-359.1 for Highgate identified on Central Vermont’s books of account as projects 798 and 800, less

- (iii) the average transmission plant in service in Accounts 350-359.1 for facilities excluded from embedded cost rates, and less
 - (iv) the average transmission plant in service in Accounts 350-359.1 for PTF facilities;
- (b) G&I plant in service is determined as follows:
- (i) Sum the average general plant in service in Accounts 389-399.1 and the average intangible plant in service in Accounts 301-303, and
 - (ii) Functionally assign the sum in clause (i) above to transmission based on the Transmission Labor Expense Ratio (A) determined in Paragraph (10) below,
 - (iii) Compute the ratio of (aa) the amount in clause (ii) above to (bb) the average transmission plant in service in Accounts 350-359.1, and
 - (iv) Apply such ratio to the Transmission plant in service determined in Paragraph (7)(a) above;
- (c) Materials and Supplies is determined as follows:
- (i) Compute the ratio of (aa) the average of transmission materials and supplies in Account 154 (page 227, line 8) to (bb) the sum of the averages of production, transmission, and distribution materials and supplies in Account 154 (page 227, lines 7-9),
 - (ii) Apply such ratio to "Other" (page 227, line 10),
 - (iii) Transmission materials and supplies in Account 154 (page 227, line 8),
 - (iv) Sum the amounts in clauses (ii) and (iii) above,
 - (v) Compute the ratio of (aa) the amount in clause (iv) above to (bb) the average transmission plant in service in Accounts 350-359.1, and

- (vi) Apply such ratio to the Transmission plant in service determined in Paragraph (7)(a) above;
- (d) Working Capital is determined as follows:
- (i) Sum the amounts computed in Paragraphs (1) and (2) above,
 - (ii) Multiply such sum by 0.125,
 - (iii) Multiply the transmission by others amount determined for in Paragraph (3) above by 0.0125, and
 - (iv) Sum the amounts in clauses (ii) through (iii) above;
- (e) Transmission Depreciation Reserve is determined as follows:
- (i) Compute the ratio of (aa) transmission accumulated provision for depreciation in Account 108 (Page 219, line 23) to (bb) the Transmission plant in service determined in Paragraph (7)(a)(i) above, and
 - (ii) Apply such ratio to the Transmission plant in service determined in Paragraph (7)(a) above;
- (f) G & I Depreciation Reserve is determined as follows:
- (i) Compute the ratio of (aa) the general accumulated provision for depreciation in Account 108 (Page 219, line 25) to (bb) the amount in Paragraph (7)(b)(i) above, and
 - (ii) Apply such ratio to the amount in Paragraph (7)(b) above; and
- (g) Transmission-related ADIT is the sum of accumulated deferred income taxes and accumulated deferred investment tax credits computed as follows:
- (i) Exclude from “electric” average accumulated deferred income taxes in Accounts 190,

281, 282, and 283 (Pages 234, 272-7) and average accumulated deferred investment tax credits in Account 255 (Pages 266-7) any amounts for items that are wholly retail-related,

- (ii) Exclude from Account 255 amounts that will eventually be amortized to Account 411.4,
- (iii) Specifically assign the amounts for items remaining from the application of clauses (i) and (ii) above to specific functions, if identifiable with specific functions,
- (iv) Functionally assign the amounts for items remaining from the application of clause (iii) above based on the Net Transmission Plant Ratio (A) determined in Paragraph (10) below,
- (v) Functionally assign the amounts for items remaining from the application of clause (iii) above based on the Net G & I Plant Ratio (A) determined in Paragraph (10) below,
- (vi) Sum the G&I-related accumulated deferred income taxes and accumulated deferred investment tax credits determined in clause (v) above,
- (vii) Functionally assign the amount in clause (vi) above based on the Transmission Labor Expense Ratio (B) determined in Paragraph (10) below,
- (viii) Sum the transmission-related accumulated deferred income taxes and accumulated deferred investment tax credits determined in clauses (iii), (iv), and (vii) above,
- (ix) Determine Net Transmission plant in service by subtracting (aa) the transmission accumulated provision for depreciation in Account 108 (Page 219, line 23) from (bb) the Transmission plant in service determined in Paragraph (7)(a)(i) above,
- (x) Compute the ratio of (aa) the sum in clause (viii) above to (bb) the amount in clause (ix) above,
- (xi) Determine the Applicable Net Transmission plant in service by subtracting (aa) the Transmission Depreciation Reserve determined in Paragraph (7)(e) above from (bb) the Transmission plant in service determined in Paragraph (7)(a) above, and

(xii) Apply the ratio determined in clause (x) above to the amount determined in clause (xi) above.

(8) Transmission Income Taxes are determined by computing the ratio of (a) TIT to (b) Net Transmission Investment determined in Paragraph (7) above without regard throughout to Paragraphs (7)(a)(ii), (7)(a)(iii), and (7)(a)(iv) above, and (c) applying such ratio to the Net Transmission Investment determined in Paragraph (7) above, where:

$TIT = TI * SIT + (TI - (TI * SIT)) * FIT + AR + ITC$, where:

(a) SIT is the Vermont income tax rate;

(b) FIT is the Federal income tax rate;

(c) CIT is the combined Federal and Vermont income tax rate determined as follows:

(i) Subtract the Vermont income tax rate from unity,

(ii) Multiply the amount in clause (i) above by the Federal income tax rate,

(iii) Subtract the product in clause (ii) above from the amount in clause (i) above, and

(iv) Subtract the amount in clause (iii) above from unity;

(d) AR is Total Amortization and Reversal and is determined as follows:

(i) Functionally assign the Superfund Tax based on the Net Transmission Plant Ratio (B) determined in Paragraph (10) below;

(ii) Functionally assign the Amortization to Prevent Duplicative Flow-through of \$5,000 pursuant to the settlement in Docket No. ER88-29 based on the Net Transmission Plant Ratio (B) determined in Paragraph (10) below, and

(iii) Sum the transmission-related amounts in clauses (i) and (ii) above;

(e) ITC is the Company's Option 2 Investment Tax Credit amortization (Page 266, line 5d) functionally assigned based on the Net Transmission Plant Ratio (B) determined in Paragraph (10) below;

(f) TI is taxable income and is determined in accordance with the following formula:
 $TI = (R + NA - INT + AR + ITC)/(1 - CIT)$, where:

(i) R is Transmission Return determined in Paragraph (7) above without regard throughout to Paragraphs (7)(a)(ii), (7)(a)(iii), and (7)(a)(iv) above,

(ii) NA is Net Additions (Deductions) and is determined as follows:

(aa) Functionally assign the Preferred Dividend Paid Credit (Page 261) based on the ratio of Net Transmission Investment determined in Paragraph (7) above without regard throughout to Paragraphs (7)(a)(ii), (7)(a)(iii), and (7)(a)(iv) above to the total of such amounts for production, transmission, and distribution,

(bb) Functionally assign the Non-deductible Portion of Meals based on the Transmission Labor Expense Ratio (B) determined in Paragraph (10) below,

(cc) Transmission Non-deductible AFDC-Equity, and

(dd) Sum the transmission-related amounts in clauses (aa), (bb), and (cc) above, and

(iii) INT is interest deduction and is determined by multiplying the Net Transmission Investment determined in Paragraph (7) above without regard throughout to Paragraphs (7)(a)(ii), (7)(a)(iii), and

(7)(a)(iv) above by the weighted average debt rate determined in Attachment D-5.

The above Transmission Income Taxes shall be determined using the effective tax rates under Federal and state income tax statutes for the calendar year. At no time shall the income tax allowance be deemed to be less than zero.

(9) Revenue Credits:

(a) Revenues from Firm Point-to-Point Transmission Service provided at other than a fully-allocated, embedded cost basis.

(b) Revenues from Short-Term Firm Point-to-Point Transmission Service.

(c) Revenues from Non-Firm Point-to-Point Transmission Service.

(10) The Transmission Labor Expense Ratio (A) is computed by dividing the transmission labor expense (Page 354, Line 19) by the sum of production, transmission, distribution, customer accounts, and customer service labor expenses (Page 354, Lines 18-22).

The Transmission Labor Expense Ratio (B) is computed by dividing the transmission labor expense (Page 354, Line 19) by the sum of production, transmission, and distribution labor expenses (Page 354, Lines 18-20).

The Net Transmission Plant Ratio (A) is computed by dividing the difference between (i) average transmission plant in service in Accounts 350-359.1 and (ii) average accumulated transmission depreciation reserve in Account 108 by the sum of the differences between average production, transmission, distribution, and G&I plant in service in Accounts 301-399.1 and average accumulated production, transmission, distribution, and G&I depreciation reserve in Account 108.

The Net Transmission Plant Ratio (B) is computed by dividing the difference between (i) average transmission plant in service in Accounts 350-359.1 and (ii) average accumulated transmission depreciation reserve in Account 108 by the sum of the differences between average production, transmission, and distribution plant in service in Accounts 310-376 and average accumulated production, transmission, and distribution depreciation reserve in Account 108.

The Net G&I Plant Ratio (A) is computed by dividing the difference between average G&I plant in service determined in Paragraph (7)(b)(i) above and average accumulated G&I depreciation reserve in Account 108 by the sum of the differences between average production, transmission, distribution, and G&I plant in service in Accounts 301-399.1 and average accumulated production, transmission, distribution, and G&I depreciation reserve in Account 108.

(11) As used in this Attachment D-1, “average” is the average of the beginning and year-end balances unless a facility, the original cost of which is one million dollars or more, enters service after the beginning of the calendar year in which case the plant in service and the related balances in Paragraph (7) associated with such facility shall be based on an average of monthly balances. Central Vermont will not change the depreciation rates used in the development of depreciation expense without a filing with the FERC. The A&G expense shall include a fixed expense for Post-Retirement Benefits other than Pensions (“PBOP”) of \$1,345,225 for CVPS for 1999 and thereafter. Central Vermont will not change the PBOP expense without a filing with the FERC.

ATTACHMENT D-2

Central Vermont's Annual Distribution Facilities Cost

Central Vermont's charge for Annual Distribution Facilities Cost of distribution substations and lines used by each Customer shall be determined annually by applying the following formula to Central Vermont's costs as recorded in Central Vermont's FERC Form No. 1. For Firm Local Point-to-Point Service and Non-Firm Local Point-to-Point Service, charges will be revised each June 1 to reflect costs and loads in Central Vermont's most recently filed FERC Form No. 1. For Local Network Service, Central Vermont shall render estimated bills based on Central Vermont's estimated costs for the year. Estimated bills for each calendar year shall be "trued up" to reflect Central Vermont's actual costs based on Central Vermont's FERC Form No. 1 for that calendar year no later than June 1 of the subsequent calendar year. True-ups shall include charges or credits for under-charges or over-charges at interest rates established pursuant to 18 C.F.R. § 35.19a. Central Vermont will make timely filings of changes in the formula to reflect changes in Commission policy. Account number references are to the Commission's Uniform System of Accounts. Page, line, and column references are to the 1994 FERC Form No. 1. The Annual Distribution Facilities Cost of Central Vermont's distribution substations and lines equals the sum of the following:

- (1) Distribution Operations and Maintenance ("O&M") Expense; plus
- (2) Administrative and General ("A&G") Expense; plus
- (3) (Left blank so that references are similar to those in Attachment D-1); plus
- (4) Taxes Excluding Income; plus
- (5) Distribution Depreciation Expense; plus
- (6) General and Intangible ("G&I") Depreciation Expense; plus
- (7) Distribution Return; and plus
- (8) Distribution Income Taxes.

In the said formula for Annual Distribution Facilities Cost:

(1) Distribution O&M Expense is determined as follows:

Substations:

- (a) Compute the ratio of (i) sum of average distribution plant in service in Accounts 361-363 to (ii) the sum of average distribution plant in service in Accounts 361-374;
- (b) Apply the ratio in clause (a) above to the sum of distribution expenses in Accounts 580, 581, and 590;
- (c) Compute the ratio of (i) sum of average distribution plant in service in Accounts 360-363 to (ii) the sum of average distribution plant in service in Accounts 360-374;
- (d) Apply the ratio in clause (c) above to the sum of distribution expenses in Accounts 588 and 598;
- (e) Subtract the pole attachment rental fees recorded in Account 589 from the distribution expenses in Account 589;
- (f) Sum the amounts in clauses (b), (d), and (e) above and the distribution expenses in Accounts 582, 591, and 592;
- (g) Sum the average distribution plant in service for Accounts 361-363 and the substation land plant in service in Account 360;
- (h) Compute the ratio of the amount in clause (f) above to the amount in clause (g) above; and
- (i) Apply such ratio to the Distribution Substation plant in service in Paragraph (7)(a)(ii) below;

Lines:

- (j) Compute the ratio of (i) sum of average distribution plant in service in Accounts 364-367 to (ii) the sum of average distribution plant in service in Accounts 361-374;
- (k) Apply the ratio in clause (j) above to the sum of distribution expenses in Accounts 580, 581, and

590;

(l) Compute the ratio of (i) sum of average distribution plant in service in Accounts 360 and 364-367 to (ii) the sum of average distribution plant in service in Accounts 360-374;

(m) Apply the ratio in clause (l) above to the sum of distribution expenses in Accounts 588 and 598;

(n) Sum (i) the amounts in clauses (k) and (m) above, (ii) pole attachment rental fees recorded in Account 589, and (iii) the distribution expenses in Accounts 583, 584, 587, 593, and 594;

(o) Sum (i) the average distribution plant in service for Accounts 364-367 and (ii) the remainder obtained by subtracting substation land plant in service in Account 360 from Account 360;

(p) Compute the ratio of the amount in clause (n) above to the amount in clause (o) above; and

(q) Apply such ratio to the Distribution Line plant in service determined in Paragraph (7)(a)(iv) below.

(2) Administrative and General (“A&G”) expense is determined as follows:

(a) Sum

(i) A&G expense in Accounts 920-927 and 929-935, less

(ii) EEI and EPRI dues identified on Central Vermont’s books of account by activity number A024200, less

(iii) Post-retirement Benefits Other than Pensions (“PBOP”) expense as recorded in Account 926 for the year, plus

(iv) the fixed PBOP expense provided in Paragraph (11) below, less

(v) the revenues from advance reservations of transmission capacity which are retained by Central Vermont, and less

- (vi) revenues from administrative fees collected in connection with the transfer of rights to transmission service;

- (b) Functionally assign the amount in clause (a) above to distribution based on the Distribution Labor Expense Ratio (A) determined in Paragraph (10) below;
Substations:
 - (c) Compute the ratio of (i) the amount in Paragraph (1)(f) above to (ii) the O&M expense in Accounts 580-598;
 - (d) Apply the ratio in clause (c) above to the amount in clause (b) above;
 - (e) Compute the ratio of (i) the amount in clause (d) above to (ii) the amount in Paragraph (1)(g) above; and
 - (f) Apply such ratio to the Distribution Substation plant in service determined in Paragraph (7)(a)(ii) below;
Lines:
 - (g) Compute the ratio of (i) the amount in Paragraph (1)(n) above to (ii) the O&M expense in Accounts 580-598;
 - (h) Apply the ratio in clause (g) above to the amount in clause (b) above;
 - (i) Compute the ratio of (i) the amount in clause (h) above to (ii) the amount in Paragraph (1)(o) above; and
 - (j) Apply such ratio to the Distribution Line plant in service determined in Paragraph (7)(a)(iv) below.

- (3) Left blank so that references are similar to those in Attachment D-1.

- (4) Taxes Excluding Income are determined as follows:

- (a) Sum labor-related taxes in Account 408.1 (Page 263i): (i) FICA, (ii) Federal unemployment, (iii) Vermont unemployment, and (iv) Joint Ownership;
 - (b) Functionally assign the sum in clause (a) above to distribution based on the Distribution Labor Expense Ratio (A) determined in Paragraph (10) below;
 - (c) Sum net plant-related taxes in Account 408.1 (Page 263i): (i) Vermont sales tax (ii) and property taxes in Vermont, Connecticut, New Hampshire, New York, and Maine;
 - (d) Functionally assign the sum in clause (c) above to distribution based on the Net Distribution Plant Ratio (B) determined in Paragraph (10) below;
 - (e) Sum the amounts in clauses (b) and (d) above;
 - (f) Compute the ratio of (i) the amount in clause (e) above to (ii) average distribution plant in service (Accounts 360-374); and
 - (g) Apply such ratio to the Distribution plant in service determined in Paragraph (7)(a) below.
- (5) Distribution Depreciation Expense is determined as follows:
- (a) Compute the ratio of (i) distribution depreciation expense in Account 403 (Page 336, Line 8) to (ii) the average distribution plant in service in Accounts 360-374; and
 - (b) Apply such ratio to the Distribution plant in service determined in Paragraph (7)(a) below.
- (6) General and Intangible (“G&I”) Depreciation Expense is determined as follows:
- (a) Sum (i) general depreciation expense in Account 403 (Page 336, line 9b), (ii) general amortization of limited term electric plant in Account 404 (Page 336, line 9c), (iii) intangible depreciation expense in Account 403 (Page 336, line 1b), and (iv) intangible amortization of limited term electric plant in Account 404 (Page 336, line 1c);

(b) Compute the ratio of (i) the sum in clause (a) above to (ii) the sum of the average general plant in service in Accounts 389-399.1 and the average intangible plant in service in Accounts 301-303; and

(c) Apply such ratio to the G&I plant in service determined in Paragraph (7)(b) below.

(7) Distribution Return is equal to Net Distribution Investment x Rate of Return. Rate of Return is determined in accordance with the methodology set forth in Attachment D-5 based on Central Vermont's per book capitalization at the end of the calendar year. The rate of return on common equity shall be 11.14 percent. Net Distribution Investment is the sum of:

Distribution plant in service, plus
G & I plant in service, plus
Materials and Supplies, plus
Working Capital, less
Distribution Depreciation Reserve, less
G & I Depreciation Reserve, and less
Accumulated Deferred Income Taxes, where:

(a) Distribution plant in service is the sum of Distribution Substation plant in service and Distribution Line plant in service and is determined as follows:

Substations:

- (i) Compute the ratio of (aa) the Point-To-Point Transmission Service Customer's Reserved Capacity or the Network Integration Transmission Customer's clock hour load coincident with the annual peak clock hour load of the specific substation used to serve the customer to (bb) the annual peak clock hour load of the specific substation used to serve the customer minus the Point-to-Point Transmission Service Customer's clock hour load coincident with the annual peak clock hour load of the specific substation used to serve the customer plus the Point-to-Point Transmission Service Customer's Reserved Capacity at the specific substation used to serve the customer, and
- (ii) Apply the ratio in clause (i) above to the average distribution plant in service in Accounts 360-363 for the specific substation used to serve the customer,

Lines:

- (iii) Compute the ratio of (aa) the Point-To-Point Transmission Service Customer's Reservation Capacity or the Network Integration Transmission Customer's clock hour load coincident with the annual peak clock hour load of the specific line used to serve the customer to (bb) the annual peak clock hour load of the specific line used to serve the customer minus the Point-To-Point Transmission Service Customer's clock hour load coincident with the annual peak clock hour load of the specific line used to serve the customer plus the Point-To-Point Transmission Service Customer's Reserved Capacity at the specific line used to serve the customer, and
 - (iv) Apply the ratio in clause (iii) above to the average distribution plant in service in Accounts 360 and 364-367 for the specific line used to serve the customer;
- (b) G&I plant in service is determined as follows:
- (i) Sum the average general plant in service in Accounts 389-399.1 and the average intangible plant in service in Accounts 301-303,
 - (ii) Functionally assign the sum in clause (i) above to distribution based on the Distribution Labor Expense Ratio (A) determined in Paragraph (10) below,
 - (iii) Compute the ratio of (aa) the amount in clause (ii) above to (bb) the average distribution plant in service in Accounts 360-374, and
 - (iv) Apply such ratio to the Distribution plant in service determined in Paragraph (7)(a) above;
- (c) Materials and Supplies is determined as follows:
- (i) Compute the ratio of (aa) the average of distribution materials and supplies in Account 154 (Page 227, line 9) to (bb) the sum of the averages of production, transmission, and distribution materials and supplies in Account 154 (Page 227, lines 7-9),

- (ii) Apply such ratio to “other” (Page 227, line 10),
 - (iii) Sum (aa) the amount in clause (ii) above and (bb) distribution materials and supplies in Account 154 (Page 227, line 9),
 - (iv) Compute the ratio of (aa) the sum in clause (iii) above to (bb) the average distribution plant in service in Accounts 360-374, and
 - (v) Apply such ratio to the Distribution plant in service determined in Paragraph (7)(a) above;
- (d) Working Capital is determined as follows:
- (i) Sum the amounts computed in Paragraphs (1)(i), (1)(q), (2)(f), (2)(j), and (3) above, and
 - (ii) Multiply such sum by 0.125;
- (e) Distribution Depreciation Reserve is determined as follows:
- (i) Compute the ratio of (aa) distribution accumulated provision for depreciation in Account 108 (Page 219, line 24) to (bb) the average distribution plant in service in Accounts 360-374, and
 - (ii) Apply such ratio to the Distribution plant in service determined in Paragraph (7)(a) above;
- (f) G & I Depreciation Reserve is determined as follows:
- (i) Compute the ratio of (aa) the general accumulated provision for depreciation in Account 108 (Page 219, line 25) to (bb) the average distribution plant in service in Accounts 360-374, and
 - (ii) Apply such ratio to the amount in Paragraph (7)(b) above; and

- (g) Distribution-related ADIT is the sum of accumulated deferred income taxes and accumulated deferred investment tax credits computed as follows:
- (i) Exclude from “electric” average accumulated deferred income taxes in Accounts 190, 281, 282, and 283 (Pages 234, 272-7) and average accumulated deferred investment tax credits in Account 255 (Pages 266-7) any amounts for items that are wholly retail-related,
 - (ii) Exclude from Account 255 amounts that will eventually be amortized to Account 411.4,
 - (iii) Specifically assign the amounts for items remaining from the application of clauses (i) and (ii) above to specific functions, if identifiable with specific functions,
 - (iv) Functionally assign the amounts for items remaining from the application of clause (iii) above based on the Net Distribution Plant Ratio (A) determined in Paragraph (10) below,
 - (v) Functionally assign the amounts for items remaining from the application of clause (iii) above based on the Net G & I Plant Ratio (A) determined in Paragraph (10) below,
 - (vi) Sum the G&I-related accumulated deferred income taxes and accumulated deferred investment tax credits determined in clause (v) above,
 - (vii) Functionally assign the amount in clause (vi) above based on the Distribution Labor Expense Ratio (B) determined in Paragraph (10) below,
 - (viii) Sum the distribution-related accumulated deferred income taxes and accumulated deferred investment tax credits determined in clauses (iii), (iv), and (vii) above,
 - (ix) Compute the ratio of (aa) the sum in clause (viii) above to (bb) the average distribution plant in service in Accounts 360-374, and
 - (x) Apply such ratio to the Distribution plant in service determined in Paragraph (7)(a) above.
- (8) Distribution Income Taxes are determined by computing the ratio of (a) DIT to (b) Net

Distribution Investment determined in Paragraph (7) above using all average distribution plant in service in Accounts 360-374 without regard throughout to Paragraph (7)(a) above, and (c) applying such ratio to the Net Distribution Investment determined in Paragraph (7) above, where:

$DIT = TI * SIT + (TI - (TI * SIT)) * FIT + AR + ITC$, where:

- (a) SIT is the Vermont income tax rate;
- (b) FIT is the Federal income tax rate;
- (c) CIT is the combined Federal and Vermont income tax rate determined as follows:
 - (i) Subtract the Vermont income tax rate from unity,
 - (ii) Multiply the amount in clause (i) above by the Federal income tax rate,
 - (iii) Subtract the product in clause (ii) above from the amount in clause (i) above, and
 - (iv) Subtract the amount in clause (iii) above from unity;
- (d) AR is Total Amortization and Reversal and is determined as follows:
 - (i) Functionally assign the Superfund Tax based on the Net Distribution Plant Ratio (B) determined in Paragraph (10) below;
 - (ii) Functionally assign the Amortization to Prevent Duplicative Flow-through of \$5,000 pursuant to the settlement in Docket No. ER88-629 based on the Net Distribution Plant Ratio (B) determined in Paragraph (10) below, and
 - (iii) Sum the distribution-related amounts in clauses (i) and (ii) above;
- (e) ITC is the Company's Option 2 Investment Tax Credit amortization (Page 266, line 5d) functionally assigned based on the Net Distribution Plant Ratio (B) determined in Paragraph (10) below; and

(f) TI is taxable income and is determined in accordance with the following formula:

$TI = (R + NA - INT + AR + ITC)/(1-CIT)$, where:

- (i) R is Distribution Return determined in Paragraph (7) above using all average distribution plant in service in Accounts 360-374 without regard throughout to Paragraph (7)(a) above,
- (ii) NA is Net Additions (Deductions) and is determined as follows:
Functionally assign the Preferred Dividend Paid Credit (Page 261) based on the ratio of Net Distribution Investment determined in Paragraph (7) above using all average distribution plant in service in Accounts 360-374 without regard throughout to Paragraph (7)(a) above to the total of such amounts for production, transmission, and distribution,
- (bb) Functionally assign the Non-deductible Portion of Meals based on the Distribution Labor Expense Ratio (B) determined in Paragraph (10) below,
- (cc) Distribution Non-deductible AFDC-Equity, and
- (dd) Sum the distribution-related amounts in clauses (aa), (bb), and (cc) above, and
- (iii) INT is interest deduction and is determined by multiplying the Net Distribution Investment determined in Paragraph (7) above using all average distribution plant in service in Accounts 360-374 without regard throughout to Paragraph (7)(a) above by the weighted average debt rate determined in Attachment D-5.

The above Distribution Income Taxes shall be determined using the effective tax rates under Federal and state income tax statutes for the calendar year. At no time shall the income tax allowance be deemed to be less than zero.

(9) Left blank so that references are similar to those in Attachment D-1.

(10) The Distribution Labor Expense Ratio (A) is computed by dividing the distribution labor expense (Page 354, Line 20) by the sum of production, transmission, distribution, customer accounts, and customer service labor expenses (Page 354, Lines 18-22).

The Distribution Labor Expense Ratio (B) is computed by dividing the distribution labor expense (Page 354, Line 20) by the sum of production, transmission, and distribution labor expenses (Page 354, Lines 18-20).

The Net Distribution Plant Ratio (A) is computed by dividing the difference between (i) average distribution plant in service in Accounts 360-374 and (ii) average accumulated distribution depreciation reserve in Account 108 by the sum of the differences between average production, transmission, distribution, and G&I plant in service in Accounts 301-399.1 and average accumulated production, transmission, distribution, and G&I depreciation reserve in Account 108.

The Net Distribution Plant Ratio (B) is computed by dividing the difference between (i) average distribution plant in service in Accounts 360-374 and (ii) average accumulated distribution depreciation reserve in Account 108 by the sum of the differences between average production, transmission, and distribution plant in service in Accounts 310-374 and average accumulated production, transmission, and distribution depreciation reserve in Account 108.

The Net G&I Plant Ratio (A) is computed by dividing the difference between average G&I plant in service determined in Paragraph (7)(b)(i) above and average accumulated G&I depreciation reserve in Account 108 by the sum of the differences between average production, transmission, distribution, and G&I plant in service in Accounts 301-399.1 and average accumulated production, transmission, distribution, and G&I depreciation reserve in Account 108.

(11) As used in this Attachment D-2, “average” is the average of the beginning and year-end balances unless a facility, the original cost of which is one million dollars or more, enters service after the beginning of the calendar year in which case the plant in service and the related balances in Paragraph (7) associated with such facility shall be based on an average of monthly balances. Central Vermont will not change the depreciation rates used in the development of depreciation expense without a filing with the FERC. The A&G expense shall include a fixed expense for Post-Retirement Benefits other than Pensions (“PBOP”) of \$1,345,225 for CVPS for 1999 and thereafter. Central Vermont will not change the PBOP expense without a filing with the FERC.

ATTACHMENT D-3

Central Vermont's Meters And Meter-Related Plant

The monthly Delivery Point Cost of meters and meter-related plant for all Customers for Points of Delivery shall be determined annually by applying the following formula to Central Vermont's costs as recorded in Central Vermont's FERC Form No. 1. For Firm Local Point-to-Point Service and Non-Firm Local Point-to-Point Service, charges will be revised each June 1 to reflect costs and loads in Central Vermont's most recently filed FERC Form No. 1. For Network Integration Transmission Service, Central Vermont shall render estimated bills based on Central Vermont's estimated costs for the year. Estimated bills for each calendar year shall be "trued up" to reflect Central Vermont's actual costs based on Central Vermont's FERC Form No. 1 for that calendar year no later than June 1 of the subsequent calendar year. True-ups shall include charges or credits for under-charges or over-charges at interest rates established pursuant to 18 C.F.R. § 35.19a. Central Vermont will make timely filings of changes in the formula to reflect changes in Commission policy. Account number references are to the Commission's Uniform System of Accounts. Page, line, and column references are to the 1994 FERC Form No. 1. The monthly Delivery Point Cost of Central Vermont's meter and meter-related plant equals the sum of the following:

- (1) Meter Operations and Maintenance ("O&M") Expense; plus
- (2) Administrative and General ("A&G") Expense; plus
- (3) Customer Accounts O&M Expense; plus
- (4) Taxes Excluding Income; plus
- (5) Distribution Depreciation Expense; plus
- (6) General and Intangible ("G&I") Depreciation Expense; plus
- (7) Distribution Meter Return; and plus
- (8) Distribution Income Taxes.

In the said formula for Annual Delivery Point Cost:

(1) Meter O&M Expense is determined by computing the cost of meter O&M based on the specific cost of operations and maintenance of the specific meters used to measure the loads of the Customers. Such costs are recorded in Accounts 586 and 597.

(2) Administrative and General (“A&G”) expense is determined as follows:

(a) Sum

(i) A&G expense in Accounts 920-927 and 929-935, less

(ii) EEI and EPRI dues identified on Central Vermont’s books of account by activity number A024200, less

(iii) Post-retirement Benefits Other than Pensions (“PBOP”) expense as recorded in Account 926 for the year, plus

(iv) the fixed PBOP expense provided in Paragraph (11) below, less

(v) the revenues from advance reservations of transmission capacity which are retained by Central Vermont, and less

(vi) revenues from administrative fees collected in connection with the transfer of rights to transmission service;

For Meters:

(b) Functionally assign the amount in clause (a) above to distribution based on the Distribution Labor Expense Ratio (A) determined in Paragraph (10) below;

(c) Compute the ratio of (i) average distribution plant in service in Account 370 to (ii) the sum of average distribution plant in service in Accounts 361-374;

(d) Apply the ratio in clause (c) above to the sum of distribution expenses in Accounts 580,

581, and 590;

- (e) Compute the ratio of (i) average distribution plant in service in Account 370 to (ii) the sum of average distribution plant in service in Accounts 360-374;
- (f) Apply the ratio in clause (e) above to the sum of distribution expenses in Accounts 588 and 598;
- (g) Sum the amounts in clauses (d) and (f) above and the distribution expenses in Accounts 586 and 597;
- (h) Compute the ratio of (i) the amount in clause (g) above to (ii) the O&M expense in Accounts 580-598;
- (i) Apply the ratio in clause (h) above to the amount in clause (b) above;
- (j) Compute the ratio of (i) the amount in clause (i) above to (ii) the average distribution plant in service in Account 370; and
- (k) Apply such ratio to the Distribution Meter plant in service determined in Paragraph (7)(a) below;

For Customer Accounts O&M:

- (l) Functionally assign the amount in clause (a) above to customer accounts based on the Customer Accounts Labor Expense Ratio (A) determined in Paragraph (10) below;
 - (m) Compute the ratio of (i) the amount in clause (l) above to (ii) the O&M expense in Accounts 901-905; and
 - (n) Apply the ratio in clause (m) above to the sum of the amounts in Paragraphs (3)(a) and (3)(b) below.
- (3) Customer Accounts O&M Expense is determined as follows:

- (a) Compute the cost of meter reading based on the specific cost of reading the specific meters used to measure the loads of the Customers. Such costs are recorded in Account 902;
 - (b) Compute the cost of general processing based on the specific cost of processing the customer bills. Such costs are recorded in Account 902; and
 - (c) Compute the cost of data translation based on the specific cost of translating the data obtained from the meter reading of the specific meters used to measure the load of the Customers. Such costs are recorded in Account 902.
- (4) Taxes Excluding Income are determined as follows:
- (a) Sum labor-related taxes in Account 408.1 (Page 263i): (i) FICA, (ii) Federal unemployment, (iii) Vermont unemployment, and (iv) Joint Ownership;
 - (b) Functionally assign the sum in clause (a) above to distribution based on the Distribution Labor Expense Ratio (A) determined in Paragraph (10) below;
 - (c) Sum net plant-related taxes in Account 408.1 (Page 263i): (i) Vermont sales tax (ii) and property taxes in Vermont, Connecticut, New Hampshire, New York, and Maine;
 - (d) Functionally assign the sum in clause (c) above to distribution based on the Net Distribution Plant Ratio (B) determined in Paragraph (10) below;
 - (e) Sum the amounts in clauses (b) and (d) above;
 - (f) Compute the ratio of (i) the amount in clause (e) above to (ii) average distribution plant in service (Accounts 360-374); and
 - (g) Apply such ratio to the Distribution Meter plant in service determined in Paragraph (7)(a) below.
- (5) Distribution Depreciation Expense is determined as follows:

- (a) Compute the ratio of (i) distribution depreciation expense in Account 403 (Page 336, Line 8) to (ii) the average distribution plant in service in Accounts 360-374; and
- (b) Apply such ratio to the Distribution Meter plant in service determined in Paragraph (7)(a) below.

(6) General and Intangible (“G&I”) Depreciation Expense is determined as follows:

- (a) Sum (i) general depreciation expense in Account 403 (Page 336, line 9b), (ii) general amortization of limited term electric plant in Account 404 (Page 336, line 9c), (iii) intangible depreciation expense in Account 403 (Page 336, line 1b), and (iv) intangible amortization of limited term electric plant in Account 404 (Page 336, line 1c);
- (b) Compute the ratio of (i) the sum in clause (a) above to (ii) the sum of the average general plant in service in Accounts 389-399.1 and the average intangible plant in service in Accounts 301-303; and
- (c) Apply such ratio to the G&I plant in service determined in Paragraph (7)(b) below.

(7) Distribution Meter Return is equal to Net Distribution Meter Investment x Rate of Return. Rate of Return is determined in accordance with the methodology set forth in Attachment D-5 based on Central Vermont’s per book capitalization at the end of the calendar year. The rate of return on common equity shall be 11.14 percent. Net Distribution Meter Investment is the sum of:

Distribution Meter plant in service, plus
 G & I plant in service, plus
 Materials and Supplies, plus
 Working Capital, less
 Distribution Meter Depreciation Reserve, less
 G & I Depreciation Reserve, and less
 Accumulated Deferred Income Taxes, where:

- (a) Distribution Meter plant in service is determined as follows:

- (i) Sum the average distribution plant in service in Account 370 for the specific meters and meter-related plant used to measure the loads of the Customers, and
- (ii) Divide the sum in clause (a) above by the number of delivery points;
- (b) G&I plant in service is determined as follows:
 - (i) Sum the average general plant in service in Accounts 389-399.1 and the average intangible plant in service in Accounts 301-303,
 - (ii) Functionally assign the sum in clause (i) above to distribution based on the Distribution Labor Expense Ratio (A) determined in Paragraph (10) below,
 - (iii) Compute the ratio of (aa) the amount in clause (ii) above to (bb) the average distribution plant in service in Accounts 360-374, and
 - (iv) Apply such ratio to the Distribution Meter plant in service determined in Paragraph (7)(a) above;
- (c) Materials and Supplies is determined as follows:
 - (i) Compute the ratio of (aa) the average of distribution materials and supplies in Account 154 (Page 227, line 9) to (bb) the sum of the averages of production, transmission, and distribution materials and supplies in Account 154 (Page 227, lines 7-9),
 - (ii) Apply such ratio to “other” (Page 227, line 10),
 - (iii) Sum (aa) the amount in clause (ii) above and (bb) distribution materials and supplies in Account 154 (Page 227, line 9),
 - (iv) Compute the ratio of (aa) the sum in clause (iii) above to (bb) the average distribution plant in service in Accounts 360-374, and

- (v) Apply such ratio to the Distribution Meter plant in service determined in Paragraph (7)(a) above;
- (d) Working Capital is determined as follows:
 - (i) Sum the amounts computed in Paragraphs (1), (2), and (3) above, and
 - (ii) Multiply such sum by 0.125;
- (e) Distribution Depreciation Reserve is determined as follows:
 - (i) Compute the ratio of (aa) distribution accumulated provision for depreciation in Account 108 (Page 219, line 24) to (bb) the average distribution plant in service in Accounts 360-374, and
 - (ii) Apply such ratio to the Distribution Meter plant in service determined in Paragraph (7)(a) above;
- (f) G & I Depreciation Reserve is determined as follows:
 - (i) Compute the ratio of (aa) the general accumulated provision for depreciation in Account 108 (Page 219, line 25) to (bb) the average distribution plant in service in Accounts 360-374, and
 - (ii) Apply such ratio to the amount in Paragraph (7)(b) above; and
- (g) Distribution-related ADIT is the sum of accumulated deferred income taxes and accumulated deferred investment tax credits computed as follows:
 - (i) Exclude from “electric” average accumulated deferred income taxes in Accounts 190, 281, 282, and 283 (Pages 234, 272-7) and average accumulated deferred investment tax credits in Account 255 (Pages 266-7) any amounts for items that are wholly retail-related,
 - (ii) Exclude from Account 255 amounts that will eventually be amortized to Account 411.4,

- (iii) Specifically assign the amounts for items remaining from the application of clauses (i) and (ii) above to specific functions, if identifiable with specific functions,
- (iv) Functionally assign the amounts for items remaining from the application of clause (iii) above based on the Net Distribution Plant Ratio (A) determined in Paragraph (10) below,
- (v) Functionally assign the amounts for items remaining from the application of clause (iii) above based on the Net G & I Plant Ratio (A) determined in Paragraph (10) below,
- (vi) Sum the G&I-related accumulated deferred income taxes and accumulated deferred investment tax credits determined in clause (v) above,
- (vii) Functionally assign the amount in clause (vi) above based on the Distribution Labor Expense Ratio (B) determined in Paragraph (10) below,
- (viii) Sum the distribution-related accumulated deferred income taxes and accumulated deferred investment tax credits determined in clauses (iii), (iv), and (vii) above,
- (ix) Compute the ratio of (aa) the sum in clause (viii) above to (bb) the average distribution plant in service in Accounts 360-374, and
- (x) Apply such ratio to the Distribution Meter Plant in service determined in Paragraph (7)(a) above.

(8) Distribution Income Taxes are determined by computing the ratio of (a) DIT to (b) Net Distribution Investment determined in Paragraph (7) above using all average distribution plant in service in Accounts 360-374 without regard throughout to Paragraph (7)(a) above, and (c) applying such ratio to the Net Distribution Meter Investment determined in Paragraph (7) above, where:

$DIT = TI * SIT + (TI - (TI * SIT)) * FIT + AR + ITC$, where:

- (a) SIT is the Vermont income tax rate;
- (b) FIT is the Federal income tax rate;

(c) CIT is the combined Federal and Vermont income tax rate determined as follows:

(i) Subtract the Vermont income tax rate from unity,

(ii) Multiply the amount in clause (i) above by the Federal income tax rate,

(iii) Subtract the product in clause (ii) above from the amount in clause (i) above, and

(iv) Subtract the amount in clause (iii) above from unity;

(d) AR is Total Amortization and Reversal and is determined as follows:

(i) Functionally assign the Superfund Tax based on the Net Distribution Plant Ratio (B) determined in Paragraph (10) below,

(ii) Functionally assign the Amortization to Prevent Duplicative Flow-through of \$5,000 pursuant to the settlement in Docket No. ER88-629 based on the Net Distribution Plant Ratio (B) determined in Paragraph (10) below, and

(iii) Sum the distribution-related amounts in clauses (i) and (ii) above;

(e) ITC is the Company's Option 2 Investment Tax Credit amortization (Page 266, line 5d) functionally assigned based on the Net Distribution Plant Ratio (B) determined in Paragraph (10) below; and

(f) TI is taxable income and is determined in accordance with the following formula:

$TI = (R + NA - INT + AR + ITC)/(1-CIT)$, where:

(i) R is Distribution Meter Return determined in Paragraph (7) above using all average distribution plant in service in Accounts 360-374 without regard throughout to Paragraph (7)(a) above,

(ii) NA is Net Additions (Deductions) and is determined as follows:

- (aa) Functionally assign the Preferred Dividend Paid Credit (Page 261) based on the ratio of Net Distribution Investment determined in Paragraph (7) above using all average distribution plant in service in Accounts 360-374 without regard throughout to Paragraph (7)(a) above to the total of such amounts for production, transmission, and distribution,
- (bb) Functionally assign the Non-deductible Portion of Meals based on the Distribution Labor Expense Ratio (B) determined in Paragraph (10) below,
- (cc) Distribution Non-deductible AFDC-Equity, and
- (dd) Sum the distribution-related amounts in clauses (aa), (bb), and (cc) above, and
- (iii) INT is interest deduction and is determined by multiplying the Net Distribution Investment determined in Paragraph (7) above using all average distribution plant in service in Accounts 360-374 without regard throughout to Paragraph (7)(a) above by the weighted average debt rate determined in Attachment D-5.

The above Distribution Income Taxes shall be determined using the effective tax rates under Federal and state income tax statutes for the calendar year. At no time shall the income tax allowance be deemed to be less than zero.

(9) Left blank so that references are similar to those in Attachment D-1.

(10) The Distribution Labor Expense Ratio (A) is computed by dividing the distribution labor expense (Page 354, Line 20) by the sum of production, transmission, distribution, customer accounts, and customer service labor expenses (Page 354, Lines 18-22).

The Distribution Labor Expense Ratio (B) is computed by dividing the distribution labor expense (Page 354, Line 20) by the sum of production, transmission, and distribution labor expenses (Page 354, Lines 18-20).

The Customer Accounts Labor Expense Ratio (A) is computed by dividing the customer accounts labor expense (Page 354, Line 21) by the sum of production, transmission, distribution, customer accounts, and

customer service labor expenses (Page 354, Lines 18-22).

The Net Distribution Plant Ratio (A) is computed by dividing the difference between (i) average distribution plant in service in Accounts 360-374 and (ii) average accumulated distribution depreciation reserve in Account 108 by the sum of the differences between average production, transmission, distribution, and G&I plant in service in Accounts 301-399.1 and average accumulated production, transmission, distribution, and G&I depreciation reserve in Account 108.

The Net Distribution Plant Ratio (B) is computed by dividing the difference between (i) average distribution plant in service in Accounts 360-374 and (ii) average accumulated distribution depreciation reserve in Account 108 by the sum of the differences between average production, transmission, and distribution plant in service in Accounts 310-374 and average accumulated production, transmission, and distribution depreciation reserve in Account 108.

The Net G&I Plant Ratio (A) is computed by dividing the difference between average G&I plant in service determined in Paragraph (7)(b)(i) above and average accumulated G&I depreciation reserve in Account 108 by the sum of the differences between average production, transmission, distribution, and G&I plant in service in Accounts 301-399.1 and average accumulated production, transmission, distribution, and G&I depreciation reserve in Account 108.

(11) As used in this Attachment D-3, “average” is the average of the beginning and year-end balances unless a facility, the original cost of which is one million dollars or more, enters service after the beginning of the calendar year in which case the plant in service and the related balances in Paragraph (7) associated with such facility shall be based on an average of monthly balances. Central Vermont will not change the depreciation rates used in the development of depreciation expense without a filing with the FERC. The A&G expense shall include a fixed expense for Post-Retirement Benefits other than Pensions (“PBOP”) of \$1,345,225 for CVPS for 1999 and thereafter. Central Vermont will not change the PBOP expense without a filing with the FERC.

ATTACHMENT D-4

Regulatory Commission Expense

The charge for Regulatory Commission Expense shall consist of all regulatory commission expenses recorded in Account 928 which directly pertain to administration of this Schedule 21-CV. Such expenses include, but are not limited to, outside legal expense, outside consultant expense, expenses of Central Vermont's employees, office supplies, postage, and an allocation of FERC annual charges based on kWh. Such expenses specific to Central Vermont's Schedule 21-CV are identified on the CVPS books of account as project codes 32009, 32011, 32018, 32031 and 32038. Such expenses which are common to the open access transmission tariff and other FERC rate schedules and tariffs of CVPS are identified on the CVPS books of account as project code 32001.

The costs described above shall be applied to the kWh of Local Network Service provided under this Schedule.

The Regulatory Commission Expenses incurred in connection with the preparation and filing of this Tariff and the determination of the justness and reasonableness of the rates, terms and conditions of service under this Tariff for the period January 1, 2000 through the day before the effective date of this Tariff, which are identified in Central Vermont's books of account as project code 32031, shall be amortized, with rate base treatment of the unamortized balance, over three years beginning with the effective date of this Tariff. The rate base treatment is computed by applying the Pretax Rate of Return in Attachment D-1 to the average unamortized balance of the Regulatory Commission Expense. The costs described above shall be applied to the kWh of Local Network Service provided under Schedule 21-CV.

ATTACHMENT D-5
Methodology for Rate of Return Calculation

						Tax Rate	
						=	40.36%
			Annualized				
				Annual		Rate	Pretax
						of	Rate of
Type	Principal	Composition	Cost	Rate		Return	Return
----	-----	-----	-----	-----		-----	-----
Debt	\$116,479,542	39.15%	\$9,395,425	8.07%		3.16%	3.16%
Preferred	27,684,236	9.31%	2,047,771	7.40%		0.69%	1.16%
Common	153,342,825	51.54%	18,094,453	11.80%	**	6.08%	10.19%
Yankee Adjustment							
*						0.12%	0.20%
	-----	-----	-----			-----	-----
Total							
Capitalization	\$297,506,603	100.00%	\$29,537,649			10.05%	14.71%

* Schedule 12,

Page 6.

** Proxy for actual allowed return on common equity

Common Stock Equity

FERC #1, P112

December 31, 2008

Line No.		Amount
-----		-----
2	Common Stock Issued	\$70,715,088
4	Capital Stock Subscribed	0
5	Stock Liability for Conversion	0
6	Premium on Capital Stock	44,922,141
7	Other Paid-In Capital	2,267,048
8	Installments Rec'd on Cap. Stock	0
9	Discount on Capital Stock	0
10	Capital Stock Expense	(1,937,965)
11	Retained Earnings	58,882,495
13	Reacquired Capital Stock	(2,627,429)
14	Accumulated Other Comprehensive Income	0

	Total Common Equity	\$172,221,378
	Less:	
	Yankee Investment *	(18,878,553)
	Adjusted Common Equity	\$153,342,825

* Schedule 12, Page 5 of 10

Preferred Stock Equity

 FERC #1, P250-1

Series %	Principal	Original Issuance Costs	Net Proceeds	Annual Interest Cost	Cost of Money	Annual Cost
-----	-----	-----	-----	-----	-----	-----
4.150%	\$3,785,600	\$69,936	\$3,715,664	\$157,102	4.228%	\$160,059
4.650%	1,000,000	0	1,000,000	46,500	4.650%	46,500
4.750%	1,768,200	16,622	1,751,578	83,990	4.795%	84,787
5.375%	1,500,000	0	1,500,000	80,625	5.375%	80,625
8.300%	20,000,000	129,895	19,870,105	*	8.379%	1,675,800
9.000% **	(369,564)					15,900
	-----	-----				-----
Total	\$27,684,236	\$216,453				\$2,063,671

* Cost of Money is computed by using the Internal Rate of Return of the cash flow from the 8.3% Preferred Stock as computed on Schedule 12, Page 8.

** Amortization and Original Issuance Cost of the redeemed 9.0% Preferred as computed on Schedule 12, Page 7.

Long Term Debt Cost

 FERC #1, P256-7

Series	Interest Rate		Cost of Money *	Principal	Annual Cost
-----	-----		-----	-----	-----
EE	9.200%		9.252%	7,500,000	\$693,900
FF	9.200%		9.263%	7,500,000	694,725
GG	9.260%		9.325%	3,000,000	279,750
HH	9.970%		10.044%	25,000,000	2,511,000
JJ	8.910%		8.974%	15,000,000	1,346,100
KK	5.300%		5.390%	10,000,000	539,000
LL	5.540%		5.624%	5,000,000	281,200
MM	6.010%		6.079%	7,500,000	455,925
NN	6.270%		6.329%	3,000,000	189,870
OO	6.900%		6.946%	17,500,000	1,215,550

Bonds, P112, L16				\$101,000,000	
Notes-VIDA (P340)	3.941%	**	4.121%	5,800,000	239,018
Letter of Credit					
Fees					38,117
Amortization of LOC Renewal/Replacement Costs					20,980
Remarketer's Carrying Cost					4,330
Notes-NHIDA					
(P340)	6.875%		7.071%	5,500,000	388,905
Letter of Credit					
Fees					28,944
Amortization of LOC					
Renewal/Replacement					
Costs					(42,551)
Remarketer's Carrying Cost					0

Notes-CDA (P340)	3.613%	**	3.841%	5,000,000	192,050
Letter of Credit Fees					32,530
Amortization of LOC					
Renewal/Replacement					
Costs					15,134
Remarketer's Carrying Cost					0

Other Long-Term Debt, P112, L19				\$16,300,000	
				-----	-----
Long-Term Debt, P112, L22				\$117,300,000	\$9,124,477
Unamortized Call Premium and Issuance Costs					
***				(820,458)	
Annual Amortization of Call Premium and Issuance Costs					
***					270,948
				-----	-----
Total Long Term Debt				\$116,479,542	\$9,395,425

* Cost of Money is computed by using the Internal Rate of Return of the cash flow from each Bond Series and each Industrial Note as computed on Schedule 12, Pages 9 and 10.

** Average interest rate for the calendar year.

*** Schedule 12, Page 7

Central Vermont Public Service Corporation

Total Yankee Investment

FERC #1, P224-5

	Equity	Investment
	Attributable	less
	to Acct.	
Investment	216.1	Equity

Vermont Yankee Nuclear Power Corporation

Common Stock, \$100 Par Value

2/7/1968	3,500,000		3,500,000
5/3/1968	3,150,000		3,150,000
5/6/1968	350,000		350,000
10/13/1970	5,515,300		5,515,300
6/22/1976	100		100
12/20/1976	200		200
Stock repurchase	(375,450)		(375,450)
Stock repurchase	0		0
Accum. Ret. on Invest.			
during Construction	4,105,334		4,105,334
Equity in undist.			
sub. earnings	550,000	550,000	
	-----	-----	-----
Total Investment	16,795,484	550,000	16,245,484

Maine Yankee Atomic Power Company

Common Stock, \$100 Par Value

3/15/1968	200,000		200,000
3/19/1969	300,000		300,000
6/3/1969	100,000		100,000
7/7/1969	100,000		100,000
8/5/1969	200,000		200,000
9/4/1969	100,000		100,000
Stock repurchase	0		0
Accum. Ret. on Invest.			
during Construction	336,169		336,169

	Equity in undist.			
	sub. earnings	96,000	96,000	
		-----	-----	-----
	Total Investment	1,432,169	96,000	1,336,169
Yankee Atomic Electric Company				
	Common Stock, \$100 Par Value			
	2/5/1962	536,900		536,900
	Stock repurchase	0		0
	Accum. Ret. on Invest.			
	during Construction	0		0
	Equity in undist.			
	sub. earnings	340,000	340,000	
		-----	-----	-----
	Total Investment	876,900	340,000	536,900
Connecticut Yankee Atomic Power Company				
	Common Stock, \$100 Par Value			
	11/15/1963	50,000		50,000
	4/6/1964	50,000		50,000
	7/27/1964	50,000		50,000
	10/1/1964	50,000		50,000
	12/15/1964	50,000		50,000
	1/15/1965	50,000		50,000
	12/15/1965	50,000		50,000
	3/31/1966	30,000		30,000
	5/18/1966	20,000		20,000
	6/23/1966	60,000		60,000
	8/3/1966	40,000		40,000
	9/29/1966	40,000		40,000
	11/7/1966	20,000		20,000
	12/22/1966	40,000		40,000
	3/7/1967	10,000		10,000
	4/6/1967	20,000		20,000
	5/8/1967	20,000		20,000
	6/27/1967	50,000		50,000

Capital Contribution 01/19/68	60,000		60,000
Stock repurchase	0		0
Accum. Ret. on Invest. during Construction	0		0
Equity in undist. sub. earnings	1,270,000	1,270,000	
	-----	-----	-----
Total Investment	2,030,000	1,270,000	760,000
Total Yankee Investments	21,134,553	2,256,000	18,878,553

Central Vermont Public Service Corporation
Computation of Yankee
 Weighted Return of Yankee Investments

	Sched. 12, P5 (A)	(B)	(C)	(D)	Sched. 12, P1 (E) (C * D)	(F)	(G) (E * F)	(H) (C - G)	(I) (B * H)
	Investment	Proportion	Pre-tax FERC Return	Taxable Portion	Taxable Return	Tax Rate	Taxes Component of Return	After Tax Return	After Tax Weighted Return
Vermont	16,795,484	79.47%	11.00%	20.00%	2.20%	40.36%	0.89%	10.11%	8.03%
Maine Yankee	1,432,169	6.78%	10.65%	30.00%	3.20%	40.36%	1.29%	9.36%	0.63%
Yankee Atomic	876,900	4.15%	9.00%	30.00%	2.70%	40.36%	1.09%	7.91%	0.33%
Connecticut	2,030,000	9.60%	11.50%	30.00%	3.45%	40.36%	1.39%	10.11%	0.97%
Total Yankees	21,134,553	100.00%							9.96%

Computation of Return Required on

$$r = \frac{(\text{Equity Return X Total Common Equity}) - (\text{Yankee Return X Yankee Investments})}{\text{Total Common Equity} - \text{Yankee Investments}}$$

$$r = \frac{(11.80\% \quad 172,221,378) - (9.96\% \quad 18,878,553)}{172,221,378 - 18,878,553}$$

r = 12.03%

Yankee

	Return	Capital Ratio	Weighted Return
	-----	-----	-----
Operating Business	12.03%	51.54%	6.20%
(less) Total Business (Sched.	11.80%	51.54%	6.08%

Yankee Adjustment			0.12%

Central Vermont Public Service Corporation

Call Premium and Unamortized Issuance Costs on Reacquired Debt and 9.0%

Preferred Stock

9.0%

Series	Q	Z	AA	BB	DD	P	R	S	Y	N	Preferred
Original Call Premium	34,000	372,060	416,325	140,000	163,543	34,500	53,100	114,500	115,850	18,641	0
Unamortized Issuance Cost	6,930	51,453	43,409	46,698	31,031	6,183	11,419	14,946	43,232	0	397,389
Balance to be Amortized	40,930	423,513	459,734	186,698	194,574	40,683	64,519	129,446	159,082	18,641	397,389
Redemption Date	33,939	33,939	33,390	34,196	33,982	34,257	34,257	34,257	34,257	34,366	34,425
Original Maturity Date	36,495	1,797	35,217	36,022	35,461	36,342	501	34,074	1,354	35,400	7,030
Months of Amortization	84	144	60	60	48	69	91	114	119	34	300
Monthly Amortization	487	2,941	7,662	3,112	4,054	594	709	1,135	1,337	548	1,325
Annual Amortization	5,844	35,292	91,944	37,344	48,648	7,128	8,508	13,620	16,044	6,576	15,900
Year	Annual Totals										

1991 Amortization	53,634			53,634									
1991 End of Year													
Balance	406,100			406,100									
1992 Amortization	95,372	487	2,941	91,944									
1992 End of Year													
Balance	775,171	40,443	420,572	314,156									
1993 Amortization	207,008	5,844	35,292	91,944	21,784	44,594	1,188	1,418	2,270	2,674			
1993 End of Year													
Balance	1,343,165	34,599	385,280	222,212	164,914	149,980	39,495	63,101	127,176	156,408			
1994 Amortization	270,400	5,844	35,292	91,944	37,344	48,648	7,128	8,508	13,620	16,044	6,028	11,925	
1994 End of Year													
Balance	1,091,406	28,755	349,988	130,268	127,570	101,332	32,367	54,593	113,556	140,364	12,613	385,464	
1995 Amortization	270,948	5,844	35,292	91,944	37,344	48,648	7,128	8,508	13,620	16,044	6,576	15,900	
1995 End of Year													
Balance	820,458	22,911	314,696	38,324	90,226	52,684	25,239	46,085	99,936	124,320	6,037	369,564	
1996 Amortization	216,789	5,844	35,292	38,324	37,344	48,648	7,128	8,508	13,620	16,044	6,037	15,900	
1996 End of Year													
Balance	603,669	17,067	279,404	0	52,882	4,036	18,111	37,577	86,316	108,276	0	353,664	
1997 Amortization	127,816	5,844	35,292		37,344	4,036	7,128	8,508	13,620	16,044		15,900	
1997 End of Year													
Balance	475,853	11,223	244,112		15,538	0	10,983	29,069	72,696	92,232		337,764	

Balance										
1998 Amortization	101,974	5,844	35,292	15,538	7,128	8,508	13,620	16,044		15,900
1998 End of Year										
Balance	373,879	5,379	208,820	0	3,855	20,561	59,076	76,188		321,864
1999 Amortization	82,698	5,379	35,292		3,855	8,508	13,620	16,044		15,900
1999 End of Year										
Balance	291,181	0	173,528		0	12,053	45,456	60,144		305,964
2000 Amortization	73,464		35,292			8,508	13,620	16,044		15,900
2000 End of Year										
Balance	217,717		138,236			3,545	31,836	44,100		290,064
2001 Amortization	68,501		35,292			3,545	13,620	16,044		15,900
2001 End of Year										
Balance	149,216		102,944			0	18,216	28,056		274,164
2002 Amortization	64,956		35,292				13,620	16,044		15,900
2002 End of Year										
Balance	84,260		67,652				4,596	12,012		258,264
2003 Amortization	51,900		35,292				4,596	12,012		15,900
2003 End of Year										
Balance	32,360		32,360				0	0		242,364

2004 Amortization	32,360	32,360	15,900
2004 End of Year			
Balance	0	0	226,464

Series		
Principal	\$20,000,000	FERC #1, P251
Issuance Costs	\$129,895	
Net Proceeds	\$19,870,105	
Annual Interest Rate =	8.300%	FERC #1, P251
Semi-annual Interest Amount	\$830,000	

Cost of Money **8.379%**
Annual Cost **\$1,675,800**

	Year	Cash Flow	Sinking Fund	Remaining Balance	Semi-Annual Interest
Net					
Proceeds	1991	(\$19,870,105)		\$20,000,000	
Semi-annual Interest	1992	830,000		20,000,000	\$830,000
Payments	1993	830,000		20,000,000	830,000
Plus Principal		830,000		20,000,000	830,000
Payments when due.	1994	830,000		20,000,000	830,000
	1995	830,000		20,000,000	830,000
		830,000		20,000,000	830,000
	1996	830,000		20,000,000	830,000
		830,000		20,000,000	830,000
	1997	830,000		20,000,000	830,000

	1,830,000	\$1,000,000	20,000,000	830,000
1998	788,500		19,000,000	788,500
	1,788,500	1,000,000	19,000,000	788,500
1999	747,000		18,000,000	747,000
	1,747,000	1,000,000	18,000,000	747,000
2000	705,500		17,000,000	705,500
	1,705,500	1,000,000	17,000,000	705,500
2001	664,000		16,000,000	664,000
	1,664,000	1,000,000	16,000,000	664,000
2002	622,500		15,000,000	622,500
	1,622,500	1,000,000	15,000,000	622,500
2003	581,000		14,000,000	581,000
	1,581,000	1,000,000	14,000,000	581,000
2004	539,500		13,000,000	539,500
	1,539,500	1,000,000	13,000,000	539,500
2005	498,000		12,000,000	498,000
	1,498,000	1,000,000	12,000,000	498,000
2006	456,500		11,000,000	456,500
	1,456,500	1,000,000	11,000,000	456,500
2007	415,000		10,000,000	415,000
	1,415,000	1,000,000	10,000,000	415,000
2008	373,500		9,000,000	373,500
	1,373,500	1,000,000	9,000,000	373,500
2009	332,000		8,000,000	332,000
	1,332,000	1,000,000	8,000,000	332,000
2010	290,500		7,000,000	290,500

	1,290,500	1,000,000	7,000,000	290,500
2011	249,000		6,000,000	249,000
	1,249,000	1,000,000	6,000,000	249,000
2012	207,500		5,000,000	207,500
	1,207,500	1,000,000	5,000,000	207,500
2013	166,000		4,000,000	166,000
	1,166,000	1,000,000	4,000,000	166,000
2014	124,500		3,000,000	124,500
	1,124,500	1,000,000	3,000,000	124,500
2015	83,000		2,000,000	83,000
	1,083,000	1,000,000	2,000,000	83,000
2016	41,500		1,000,000	41,500
	1,041,500	1,000,000	1,000,000	41,500

Series	EE	FF	GG	HH
Principal	\$7,500,000	\$7,500,000	\$3,000,000	\$25,000,000
Issuance Costs	\$23,655	\$32,320	\$14,577	\$112,689
Net Proceeds	\$7,476,345	\$7,467,680	\$2,985,423	\$24,887,311
Annual Interest Rate =	9.200%	9.200%	9.260%	9.970%
Semi-annual Interest Amount	\$345,000	\$345,000	\$138,900	\$1,246,250
Cost of Money	9.252%	9.263%	9.325%	10.044%
Annual cost	\$693,900	\$694,725	\$279,750	\$2,511,000

	Year	Cash Flow	Year	Cash Flow	Year	Cash Flow	Year	Cash Flow	Sinking Fund	Remaining Balance	Semi-Annual Interest
Net	1990	(\$7,476,345)	1990	(\$7,467,680)	1990	(\$2,985,423)	1991	(\$24,887,311)			
Semi-Interest Payments	1990	345,000	1990	345,000	1990	138,900	1991	1,246,250			
		345,000		345,000		138,900		1,246,250			
	1991	345,000	1991	345,000	1991	138,900	1992	1,246,250			
		345,000		345,000		138,900		1,246,250			
Payments when due.	1992	345,000	1992	345,000	1992	138,900	1993	1,246,250			
		345,000		345,000		138,900		1,246,250			
	1993	345,000	1993	345,000	1993	138,900	1994	1,246,250			
		345,000		345,000		138,900		1,246,250			
	1994	345,000	1994	345,000	1994	138,900	1995	1,246,250			
		345,000		345,000		138,900		1,246,250			
	1995	345,000	1995	345,000	1995	138,900	1996	1,246,250			
		345,000		345,000		138,900		2,246,250	\$1,000,000		
	1996	345,000	1996	345,000	1996	138,900	1997	1,196,400		\$24,000,000	\$1,196,400
		345,000		345,000		138,900		4,196,400	3,000,000	24,000,000	1,196,400
	1997	345,000	1997	345,000	1997	138,900	1998	1,046,850		21,000,000	1,046,850
		345,000		345,000		138,900		4,046,850	3,000,000	21,000,000	1,046,850
	1998	345,000	1998	345,000	1998	138,900	1999	897,300		18,000,000	897,300
		7,845,000		345,000		138,900		3,897,300	3,000,000	18,000,000	897,300
			1999	345,000	1999	138,900	2000	747,750		15,000,000	747,750
				345,000		138,900		4,747,750	4,000,000	15,000,000	747,750
			2000	345,000	2000	138,900	2001	548,350		11,000,000	548,350
				7,845,000		138,900		4,548,350	4,000,000	11,000,000	548,350
					2001	138,900	2002	348,950		7,000,000	348,950
						138,900		4,348,950	4,000,000	7,000,000	348,950
					2002	138,900	2003	149,550		3,000,000	149,550
						3,138,900		3,149,550	3,000,000	3,000,000	149,550

									\$25,000,000		

Series	JJ		KK		LL		MM	
Principal Issuance	\$15,000,000		\$10,000,000		\$5,000,000		\$7,500,000	
Costs	\$103,128		\$38,901		\$24,114		\$38,165	
Net Proceeds	\$14,896,872		\$9,961,099		\$4,975,886		\$7,461,835	
Annual Interest Rate =	8.910%		5.300%		5.540%		6.010%	
Semi-annual Interest Amount	\$668,250		\$265,000		\$138,500		\$225,375	
Cost of Money	8.974%		5.390%		5.624%		6.079%	
Annual cost	\$1,346,100		\$539,000		\$281,200		\$455,925	
	Year	Cash Flow	Year	Cash Flow	Year	Cash Flow	Year	Cash Flow
Net Proceeds	1992	(\$14,896,872)	1994	(\$9,961,099)	1994	(\$4,975,886)	1994	(\$7,461,835)
Semi-annual Interest Payments	1992	94,050	1994	265,000	1994	138,500	1994	225,375
Plus Principal Payments when due.	1993	94,050	1995	265,000	1995	138,500	1995	225,375
		94,050		265,000		138,500		225,375
	1994	94,050	1996	265,000	1996	138,500	1996	225,375
		94,050		265,000		138,500		225,375
	1995	94,050	1997	265,000	1997	138,500	1997	225,375
		94,050		265,000		138,500		225,375
	1996	94,050	1998	265,000	1998	138,500	1998	225,375
		94,050		10,265,000		138,500		225,375
	1997	94,050			1999	138,500	1999	225,375
		94,050				138,500		225,375
	1998	94,050			2000	138,500	2000	225,375
		94,050				5,138,500		225,375
	1999	94,050					2001	225,375
		94,050						225,375
	2000	94,050					2002	225,375
		94,050						225,375
	2001	94,050					2003	225,375
		94,050						7,725,375
	2002	94,050						

	94,050
2003	94,050
	94,050
2004	94,050
	94,050
2005	94,050
	94,050
2006	94,050
	94,050
2007	94,050
	94,050
2008	94,050
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2009	94,050
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2010	94,050
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2011	94,050
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2012	94,050
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2013	94,050
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2014	94,050
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2015	94,050
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2016	94,050
	94,050
2017	94,050
	94,050
2018	94,050
	94,050
2019	94,050
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2020	94,050
	94,050
2021	94,050

	94,050
2022	94,050
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2023	94,050
	94,050
2024	94,050
	94,050
2025	94,050
	94,050
2026	94,050
	94,050
2027	94,050
	94,050
2028	94,050
	94,050
2029	94,050
	94,050
2030	94,050
	94,050
2031	94,050
	\$15,668,250

**Central Vermont Public Service
Corporation**

Bonds Cost of Money Calculation
FERC #1, P256

Series	NN	OO
Principal	\$3,000,000	\$17,500,000
Issuance Costs	\$16,987	\$106,845
Net Proceeds	\$2,983,013	\$17,393,155
Annual Interest Rate =	6.270%	6.900%
Semi-annual Interest Amount	\$94,050	\$603,750
Cost of Money	6.329%	6.946%
Annual cost	\$189,870	\$1,215,550

	Year	Cash Flow	Year	Cash Flow
Net Proceeds	1994	(\$2,983,013)	1994	(\$17,393,155)
Semi-annual Interest	1994	94,050	1994	603,750
Payments	1995	94,050	1995	603,750
Plus Principal		94,050		603,750
Payments when due.	1996	94,050	1996	603,750
	1997	94,050	1997	603,750
	1998	94,050	1998	603,750
	1999	94,050	1999	603,750
	2000	94,050	2000	603,750
	2001	94,050	2001	603,750
	2002	94,050	2002	603,750

2003	94,050	2003	603,750
	94,050		603,750
2004	94,050	2004	603,750
	94,050		603,750
2005	94,050	2005	603,750
	94,050		603,750
2006	94,050	2006	603,750
	94,050		603,750
2007	94,050	2007	603,750
	94,050		603,750
2008	94,050	2008	603,750
	3,094,050		603,750
		2009	603,750
			603,750
		2010	603,750
			603,750
		2011	603,750
			603,750
		2012	603,750
			603,750
		2013	603,750
			603,750
		2014	603,750
			603,750
		2015	603,750
			603,750
		2016	603,750
			603,750
		2017	603,750
			603,750
		2018	603,750
			603,750
		2019	603,750
			603,750
		2020	603,750
			603,750
		2021	603,750
			603,750

2022	603,750
	603,750
2023	603,750
	603,750
2024	603,750
	603,750
2025	603,750
	603,750
2026	603,750
	603,750
2027	603,750
	603,750
2028	603,750
	603,750
2029	603,750
	603,750
2030	603,750
	603,750
2031	603,750
	18,103,750

**Central Vermont Public Service
Corporation**

Industrial Notes Cost of
Money Calculation
FERC #1,
P256.1

Series		VIDA		NHDA		CDA
Principal		\$5,800,000		\$5,500,000		\$5,000,000
Issuance						
Costs		\$178,983		\$125,821		\$202,329
Net						
Proceeds		\$5,621,017		\$5,374,179		\$4,797,671
Annual Interest						
Expense		\$228,560				\$180,643
Annual Interest						
Rate =		3.941%		6.875%		3.613%
Semi-annual						
Interest						
Amount		\$114,280		\$189,063		\$90,322
Cost of Money		4.121%		7.071%		3.841%
Annual						
Cost		\$239,018		\$388,905		\$192,050
	Year	Cash Flow	Year	Cash Flow	Year	Cash Flow
Net						
Proceeds	1983	(\$5,621,017)	1984	(\$5,374,179)	1985	(\$4,797,671)
Semi-						
annual	1984	114,280	1985	189,063	1986	90,322
Interest		114,280		189,063		90,322
Payments	1985	114,280	1986	189,063	1987	90,322
Plus Principal		114,280		189,063		90,322
Payments	1986	114,280	1987	189,063	1988	90,322

when due.	114,280		189,063		90,322
1987	114,280	1988	189,063	1989	90,322
	114,280		189,063		90,322
1988	114,280	1989	189,063	1990	90,322
	114,280		189,063		90,322
1989	114,280	1990	189,063	1991	90,322
	114,280		189,063		90,322
1990	114,280	1991	189,063	1992	90,322
	114,280		189,063		90,322
1991	114,280	1992	189,063	1993	90,322
	114,280		189,063		90,322
1992	114,280	1993	189,063	1994	90,322
	114,280		189,063		90,322
1993	114,280	1994	189,063	1995	90,322
	114,280		189,063		90,322
1994	114,280	1995	189,063	1996	90,322
	114,280		189,063		90,322
1995	114,280	1996	189,063	1997	90,322
	114,280		189,063		90,322
1996	114,280	1997	189,063	1998	90,322
	114,280		189,063		90,322
1997	114,280	1998	189,063	1999	90,322
	114,280		189,063		90,322
1998	114,280	1999	189,063	2000	90,322
	114,280		189,063		90,322
1999	114,280	2000	189,063	2001	90,322
	114,280		189,063		90,322
2000	114,280	2001	189,063	2002	90,322
	114,280		189,063		90,322
2001	114,280	2002	189,063	2003	90,322
	114,280		189,063		90,322
2002	114,280	2003	189,063	2004	90,322
	114,280		189,063		90,322
2003	114,280	2004	189,063	2005	90,322
	114,280		189,063		90,322

2004	114,280	2005	189,063	2006	90,322
	114,280		189,063		90,322
2005	114,280	2006	189,063	2007	90,322
	114,280		189,063		90,322
2006	114,280	2007	189,063	2008	90,322
	114,280		189,063		90,322
2007	114,280	2008	189,063	2009	90,322
	114,280		189,063		90,322
2008	114,280	2009	189,063	2010	90,322
	114,280		5,689,063		90,322
2009	114,280			2011	90,322
	114,280				90,322
2010	114,280			2012	90,322
	114,280				90,322
2011	114,280			2013	90,322
	114,280				90,322
2012	114,280			2014	90,322
	114,280				90,322
2013	114,280			2015	90,322
	5,914,280				5,090,322

ATTACHMENT L
Creditworthiness Procedure

1. General Information:

This provision is applicable to any Transmission Customer taking service under ISO New England Inc., ISO New England Inc. Transmission, Markets and Services Tariff, Section II—Open Access Transmission Tariff Schedule 21 ("Tariff") and Schedule 20A of the OATT for CVPS (referred to as "Transmission Service" or "Transmission Services"). The creditworthiness of each Transmission Customer must be established prior to receiving Transmission Service from CVPS. A Transmission Customer will be evaluated at the time its application for Transmission Service is provided to CVPS. A credit review shall be conducted for each Transmission Customer not less than annually or upon reasonable request by the Transmission Customer. CVPS shall make this credit review in accordance with procedures based on specific quantitative and qualitative criteria to determine the level of secured and unsecured credit required from the Transmission Customer.

The information requested in this Attachment L should be forwarded to:

Assistant Treasurer
Central Vermont Public Service Corp.
77 Grove Street
Rutland, VT 05701
Phone : 802-747-5418

Upon receipt of a Transmission Customer's information, CVPS will review it for completeness and will notify the Transmission Customer if additional information is required. Upon completion of an evaluation of a Transmission Customer under this Creditworthiness Policy, CVPS will forward a written evaluation if the Transmission Customer is required to provide Financial Assurance.

2. Financial Information:

Transmission Customers requesting Transmission Service or requesting interconnection service must submit, if available, the following:

- All current rating agency reports of the Transmission Customer issued by Standard and Poor's ("S&P"), Moody's and/or Fitch Ratings.
- Audited financial statements provided by a registered independent auditor for the two most recent years, on an annual and quarterly basis if available, or the period of its existence, if shorter than two (2) years, for the Transmission Customer.

3. Creditworthiness Requirements

A. Transmission Customers, rated and un-rated, will be required to meet specific quantitative creditworthiness requirements, as detailed below:

1. To qualify for unsecured credit, the Transmission Customer must meet at least one of criteria (a) or (b) as described below:

a) If rated, the Transmission Customer's lowest senior unsecured long-term debt rating from the three named rating agencies (or if the customer does not have a senior unsecured long-term debt rating, then one rating notch below the issuer and/or corporate credit rating) of:

- Standard and Poor's or Fitch rating of at least a **BBB+**, or
- Moody's rating of at least a **Baa1**.

b) If un-rated or if rated below BBB+/Baa1, as stated in a), the Transmission Customer must meet all of the following for the last four (4) quarters, or the last two (2) years if quarterly information is not available:

- A Current Ratio of at least 2.0 (current assets divided by all current liabilities);
- A Total Capitalization Ratio of less than 55% debt, defined as total debt (including all capitalized leases and all short-term borrowings) divided by the sum of total shareholders' equity plus total debt;
- EBITDA-to-Fixed Charge Ratio of at least 3.0 times, defined as Earnings before interest, taxes, depreciation and amortization divided by fixed charges (interest on debt as defined in Total Capitalization Ratio above plus preferred dividends on any outstanding preferred equity); and
- Unqualified audit opinions in audited financial statements provided.

c) If the Transmission Customer relies on the creditworthiness of a parent company or other party reasonably acceptable to CVPS, the Transmission Customer's parent company or such other party must meet the criteria set out in (a) or (b) above, and must provide to CVPS a written guarantee that it will be unconditionally responsible for all financial obligations associated with the Transmission Customer's receipt of Transmission Service from CVPS.

2. **Qualitative Standards for Creditworthiness Determination:**

In conjunction with the quantitative standards above, CVPS will consider qualitative standards when determining creditworthiness, such as:

- a) **Years in business:** a company in business fewer than five (5) years will be considered a greater risk.
- b) **Management's experience in the industry:** a management team with an average of less than five (5) years experience will be considered a greater risk.
- c) **Market risk:** consideration of pricing exposure, credit exposures, and operational exposures.
- d) **Litigation Risk:** a pending legal action with potential monetary damages approaching 3% of gross revenues will be considered as significantly increasing Transmission Customer risk.
- e) **Regulatory Environment (State and Local):** a company subject to significant exposure to regulatory decisions, such as key planning decisions, shall be considered as having increased risk.
- f) **Prior payment history with other Transmission Providers or other vendors:** a company with an excellent payment history of greater than or equal to five (5) years shall be considered a lesser risk.

4. Financial Assurance:

If the Transmission Customer does not meet the applicable requirements for Creditworthiness set out in Section 3, then the Transmission Customer must either:

- Pay in advance for service an amount equal to the lesser of the total charge for Transmission Service or the charge for three months of Transmission Service not less than ten (10) business days in advance of the commencement of service. If the Transmission Customer pays for service in advance, CVPS will pay to the Transmission Customer interest on the amounts not yet due to CVPS, computed in accordance with the Commission's regulations at 18 CFR, 35.19a(a)(2)(iii); or
- Obtain Financial Assurance in the form of a letter of credit or corporate guarantee from a parent or other party reasonably acceptable to CVPS with an issuer and/or corporate credit

rating no lower than investment grade from Standard and Poor's and/or Fitch Ratings and/or Moody's in an amount equal to the equivalent of three (3) months of Transmission Service charges at least one (1) day prior to receiving service.

- Letter of credit means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a U.S. branch of a foreign bank provided that such Transmission Customer is not an affiliate of such bank, and provided that such bank has an issuer and/or corporate credit rating of at least A2 from Moody's or A from Standard and Poor's or Fitch Ratings. In the event of different ratings from the rating agencies, the lowest rating shall apply.
- Costs of a letter of credit shall be borne by the Transmission Customer.
- If the credit rating of the bank issuing the letter of credit falls below the specified rating, the Transmission Customer shall notify CVPS in writing within five (5) business days of such event and shall have two business days following written notice to provide other appropriate financial assurance.

5. Credit Levels

If the Transmission Customer meets the applicable criteria outlined in Section 3, that Transmission Customer may receive unsecured credit equivalent to three (3) months of transmission charges, of three (3) months of the annual facilities charges and other ongoing charges. Transmission Customers not meeting the Creditworthiness Requirements above in Sections 3 and 4 may not receive unsecured credit from CVPS.

6. Contesting Creditworthiness Determination.

The Transmission Customer may contest CVPS's determination of creditworthiness by submitting a written request for re-evaluation within 20 calendar days of notification of the creditworthiness determination. Such request should provide information supporting the basis for a request to re-evaluate a Transmission Customer's creditworthiness. CVPS will review and respond to the request within 20 calendar days.

7. Process for Changing Credit Requirements.

In the event that CVPS plans to revise its credit level or collateral requirements, as detailed in this Creditworthiness Policy, the following process shall be followed:

A. General Notification Process

In the event that CVPS plans to revise its requirements for credit levels or collateral requirements as detailed in this Attachment L, CVPS shall submit such changes in a filing to the Federal Energy Regulatory Commission (“Commission”) under Section 205 of the Federal Power Act. CVPS shall follow the notification requirements pursuant to Section 3.04(a) of the Transmission Operating Agreement and reflected herein.

- 1) CVPS shall provide written notification to ISO-NE and stakeholders of any filing described above, at least 30 days in advance of such filing.
- 2) Filing notifications shall include a detailed description of the filing, including a redlined document containing revised change(s) to the Creditworthiness Policy.
- 3) CVPS shall consult with interested stakeholders upon request.
- 4) Following Commission acceptance of such filing and upon the effective date, CVPS shall revise its Attachment L Creditworthiness Policy and an updated version of Schedule 21-CV shall be posted the ISO-NE website.

B. Transmission Customer Responsibility

When there is a change in requirements, it is the responsibility of the Transmission Customer to forward updated financial information to CVPS, to the address noted above, and indicate whether the change affects the Transmission Customer’s ability to meet the requirements of the Creditworthiness Policy. Transmission Customer must take the necessary steps to comply with the revised requirements of the Creditworthiness Policy by the effective date of the change.

C. Notification of Active Customers

Active Transmission Customers are defined as any current Transmission Customer that has reserved Transmission Service within the last three (3) months.

All Active Transmission Customers will be notified via either e-mail or U.S. mail that the above posting has been made. They must follow the steps outlined in this procedure.

8. Posting Collateral Requirements

A. Changes in Customer’s Financial Condition:

Each Transmission Customer must inform CVPS, in writing, within five (5) business days of any material change in its financial condition or the financial condition of a parent providing a guarantee. A material change in financial condition include, but is not limited to, the following:

- Change in ownership by way of a merger, acquisition or substantial sale of assets;
- A downgrade of long- or short-term debt rating by a major rating agency;
- Being placed on a credit watch with negative implications by a major rating agency;
- A bankruptcy filing;
- Any action requiring filing of a Form 8-K;
- A declaration of or acknowledgement of insolvency;
- A report of a significant quarterly loss or decline in earnings;
- The resignation of key officer(s);
- The issuance of a regulatory order and/or the filing of a lawsuit that could materially adversely impact current or future financial results.

B. Change in Creditworthiness Status:

A Transmission Customer who has been extended unsecured credit under this Creditworthiness Policy must comply with the terms of Financial Assurance in Item 4 if one or more of the following conditions apply:

- The Transmission Customer no longer meets the applicable criteria for Creditworthiness in Item 3;
- The Transmission Customer exceeds the amount of unsecured credit extended by CVPS, in which case
- Financial Assurance equal to the amount of excess must be provided within five (5) business days; or
- The Transmission Customer has missed two or more payments for any of the Transmission Services offered by CVPS in the last 12 months.

9. Ongoing Financial Review:

Each Transmission Customer is required to submit to CVPS when issued, as applicable:

- Current rating agency report;
- Audited financial statements from a registered independent auditor; and
- 10-Ks, 10-Q's and 8-Ks, promptly upon their issuance.

10. Suspension of Service:

CVPS may immediately suspend Transmission Service (with notification to Commission) to a Transmission Customer, and may initiate proceedings with Commission to terminate Transmission Service, if the Transmission Customer does not meet the terms described in Items 3 through 8 at any time during the term of Transmission Service or if the Transmission Customer's payment obligations to CVPS exceed the amount of unsecured or secured credit to which it is entitled under this Creditworthiness Policy. A Transmission Customer is not obligated to pay for Transmission Service that is not provided as a result of a suspension of Transmission Service.