

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7770

Joint Petition of Central Vermont Public Service )  
Corporation ("CVPS"), Danaus Vermont Corp., )  
Northern New England Energy Corporation ("NNEEC") )  
for itself and as agent for Gaz) Metro Limited Partnership )  
and its parents, Green Mountain Power Corporation )  
("GMP") and Vermont Low Income Trust for Electricity, )  
Inc. ("VLITE"), for approval of: (1) the merger of Danaus )  
into and with CVPS; (2) the acquisition by NNEEC of )  
CVPS and certain other Vermont companies; (3) the )  
amendment to CVPS's Articles of Association; (4) the )  
merger of CVPS into and with GMP; and (5) the )  
acquisition by VLITE of a controlling interest in Vermont )  
Electric Power Company, Inc. )

**BRIEF OF THE CITY OF RUTLAND, VERMONT**

April 23, 2012

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The City of Rutland, Vermont, by and through its attorney, Andrew Costello, hereby files its brief in the above captioned proceeding.

The City of Rutland originally sought intervenor status in this docket due to the widespread concern among Rutland area residents following the announcement of the merger between Central Vermont Public Service and Green Mountain Power. The concern focused around the effect that the merger would have on jobs in the Rutland area, and on the facilities that CVPS currently operates in the region. *See Prefiled Testimony of Mayor Christopher Louras (hereinafter "Louras Testimony") at 2.* For over 75 years Rutland has been the home of CVPS's headquarters and to the majority of its employees. *See Louras Testimony at 2.* The merger announcement raised concern that CVPS's corporate presence and jobs would simply migrate north to Chittenden County, or that job losses that were sure to follow consolidation would be disproportionately felt in the Rutland area. *See id. at 2-3.* This was of special concern due to the region's relatively high unemployment rate. By way of example, in August 2011, Rutland County's unemployment rate was 6.5%, nearly 50% higher than that of Chittenden County, which was at 4.6% at that time. *See id. at 3.*

In an effort to address these fears Rutland Mayor Christopher Louras began a series of conversations with GMP President and Chief Executive Officer Mary Powell shortly after the announcement. *See id. at 3.* Throughout those conversations Ms. Powell and Mayor Louras discussed the City's concerns and ways that GMP could address them. Mayor Louras expressed his apprehension that there would be an exodus of jobs from the region if any merger was approved, and that the combined company would abandon the buildings it currently occupies in

Rutland, adding to the City's already large list of vacant commercial property. *See id. at 3.*

Ms. Powell assured the Mayor that the combined company would maintain a strong presence in the region, and that Rutland would not disproportionately bear the brunt of job losses following the merger. *See id. at 4.* Specifically, the Mayor was told that if the merger was approved the combined company would maintain the same proportional level of employees in Rutland as existed previously, and was additionally assured that the combined company's Headquarters for Operations would be placed in the Rutland area, that the combined company would establish an "Energy Innovation Center" in the area where the company's renewable energy, smart grid, energy efficiency and customer service operations would be headquartered, and that the combined company would locate a facility in downtown Rutland. *See id. at 4.* These promises were eventually codified in a memorandum of understanding dated January 19, 2012 that was signed by both Mayor Louras and Ms. Powell. *See id. at Exhibit 1.* The MOU confirms that the assurances made to the City and the region will be upheld by the combined company.

This agreement was later addressed in the MOU between the petitioners and the Department of Public Service, which stated "DPS does not object to the Rutland MOU and has based its agreement herein regarding the amount and timing of Merger savings sharing in part upon the terms of the Rutland MOU. Approval of the Rutland MOU shall not require the DPS to take or refrain from taking any position regarding rate recovery for investments or expenditure made pursuant to that MOU dated January 19, 2012." *See Memorandum of Understanding Between Petitioners and the Vermont Department of Public Service at 15.*

WHEREFORE, the City of Rutland requests that the Public Service Board include the provisions of the January 19, 2012 MOU as conditions of approval in this matter.

DATED at Rutland, Vermont this 23<sup>rd</sup> day of April, 2012.

CITY OF RUTLAND



Andrew Costello  
City Attorney