



February 25, 2008

Mrs. Susan Hudson, Clerk
Vermont Public Service Board
Drawer 20, 112 State Street
Montpelier, VT 05620

Re: Proposed Amendments to PSB Rule 5.409

Dear Mrs. Hudson:

Enclosed for filing with the Public Service Board is an original and five copies of a petition to amend PSB Rule 5.409 along with a copy of the proposed rule amendment and supporting materials.

This filing is the culmination of the latest research and analysis undertaken by Vermont Electric Power Company, Inc. (VELCO) on project cost estimating. This work includes additional internal cost tracking, the confidential sharing of project cost information with other U.S. transmission companies, and identification of industry performance benchmarks. The goal of VELCO's proposal is to establish a project cost estimate reporting structure that is transparent, timely and accountable. Because our proposal would apply to all transmission projects, the company believes a rulemaking proceeding pursuant to 3 V.S.A. § 806 constitutes the most appropriate mechanism.

VELCO respectfully recommends that before the Board opens an official proceeding, however, the Board give VELCO the opportunity to present the enclosed proposal and its bases to the Board, the Department of Public Service, Vermont's electric utilities, and other interested parties. VELCO suggests that perhaps the most effective and resource efficient means for Board consideration of the proposal is to convene a workshop-type proceeding. Such a proceeding would allow the company to describe its proposal and allow regulators, Vermont utilities, interest groups and other stakeholders to ask questions, test assertions, and make suggestions. A better, more consensus oriented product by participants in significant § 248 proceedings is likely to result from the type of collaborative process VELCO suggests.

VELCO looks forward to presenting its Rule 5.409 proposal to the Board and other interested parties. Thank you for your consideration.

Sincerely,

Leslie A. Cadwell
VP, Chief Counsel, Corporate Secretary

cc: David O'Brien, DPS Commissioner
Sarah Hofmann, DPS Director for Public Advocacy
Vermont's Electric Distribution Utilities & VPPSA
ISO-New England, Inc.

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